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Latin America Report

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4 May 1984

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SHELL FINDS GAS ON SANTOS COAST ; JURUA RESERVE MAY DOUBLE

Test Preparation

Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Apr 84 p 20

[Text] Shell is already preparing to test a well on the Santos coast where it found gas. According to the Brazilian Petroleum Corporation (PETROBRAS) director of exploration, Carlos Walter Marinho Campos, the operation designed to test production has not yet been completed due to the high risk involved in the test to be conducted by a floating unit.

This is the second find made by Shell through risk contracts. The first one--and the only one to find oil through risk contracts--occurred in 1981 on the coast of Bahia through the exploration activity of Pecten of Brazil Oil Services--a subsidiary of Shell Oil Company and Shell Exploration Service, a company that is wholly owned by the Royal Dutch Shell companies.

The president of Shell Brazil, Abel Carparelli, considered the announcement by PETROBRAS to be "very important" and said that the results achieved until now by Shell in the risk area are the direct consequence of the "persistence" shown by the company, which up to now has invested more than \$230 million.

Up to the end of last year, 120 risk contracts had been signed, 81 of them with foreign companies and 39 with Brazilian countries, representing an over-all investment on the order of \$1.5 billion. At the end of last month, PETROBRAS signed 14 contracts with Texaco for oil and gas exploration in the Marajo Basin.

Abel Carparelli revealed that the area that is being investigated, lies south of Santos, with a support base in the city of Sao Sebastiao. Appearing very enthusiastic over the announcement made by the director of PETROBRAS, the president of Shell Brazil said that he had been following the results of the drilling in the area at each new depth reached.

Carlos Walter Marinho Campos explained that the example of Shell is interesting since the Anglo-Dutch company had already drilled a well in the area of the Santos coast without success. Later, it restudied the results obtained and formulated new ideas, deciding to explore the same area again, where it has just found gas.

In Bahia, evaluation tests of the reserves existing in the area of the 1981 discovery are being concluded. According to the first estimates, well 1-BAS-74, located 88 kilometers south of Salvador--the third drilled by Pecten in the area--may provide a flow of 1,700 barrels daily and should go into operation before the end of the year.

British Petroleum, a multinational with headquarters in England, was the first company to find oil through risk contracts in the Santos Basin, but the studies made later showed that it was not commercial. The British company, with an investment on the order of \$102 million in the country up to the end of last year, was one of the 15 foreign companies which, together with some national groups, particularly PAULIPETRO (investments of \$433 million) participated in drilling 90 exploratory wells up to the end of the last year, 57 of them being offshore and 33 onshore.

Jurua Reserve May Double

The gas reserves of the Upper Amazon in the area of the Jurua River, with an estimated area of 250 kilometers may be doubled by expansion of the stretch showing the presence of natural gas, the PETROBRAS director of exploration, Carlos Walter Marinho Campos, reported at the closing of the proceedings of the Symposium on New Projects in the Exploration and Production of Oil.

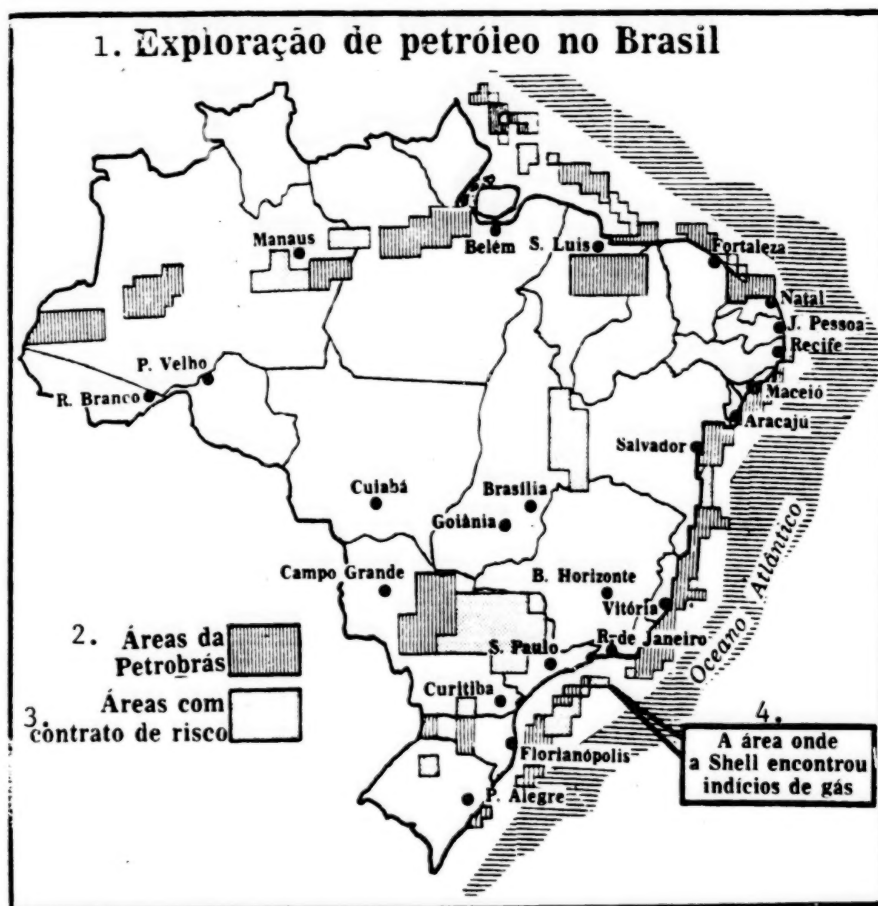
"After discovering that we have gas in an area of 500 kilometers in Jurua, we are going to try to discover what the volume of gas is," explained the director of PETROBRAS, who estimated the gas reserves (including the unproved reserves) in the region at 22 billion cubic meters.

He said that during the seminar, which had the participation of the members of the International Energy Development Corporation (IEDC), some consensus conclusions were approved indicating the need for greater technical and financial assistance to the developing countries for oil and gas exploration.

Thus, it was agreed at the meeting that the oil exploration companies of the developing countries would unite, through the cooperation and exchange of experiences, to participate jointly in the exploration of oil in the African countries.

One of the proposals approved yesterday, for example, was on holding a forthcoming technical meeting on the geology of West Africa.

"It is of interest to become familiar with that geology in depth because it is very similar to that of Northeast Brazil," said the director of PETROBRAS.



- KEY: 1. Oil Exploration in Brazil
 2. PETROBRAS Areas
 3. Areas with risk contract
 4. The area where Shell found signs of gas

Gas Production Increases

Rio de Janeiro JORNAL DO BRASIL in Portuguese 3 Apr 84 p 18

[Text] Brazilian production of natural gas showed an increase of 23.2 percent in the first 2 months of this year compared with the same period last year, going from 615,000,461 cubic meters in January-February 1983 to 758,058,000 cubic meters for the same period this year, according to a PETROBRAS official. But only 64 percent of that volume was utilized.

The president of the corporation, Shegeaki Ueki, emphasized in Itaipava that the correctness of the policy laid down for the oil and gas sector can be measured by the results achieved, among which he pointed out: "oil production increased from 160,000 barrels daily in 1979 to 339,000 barrels daily in 1983; and natural gas production increased from 5.2 million cubic meters daily to 11.1 cubic meters in 1983."

In his opening speech at the "Symposium on New Projects in the Exploration and Production of Oil," which includes the participation of about 60 representatives of 33 developing countries, Shigeaki Ueki called attention to the savings of foreign exchange which progress in the domestic production of oil have made possible.

"It must be noted that the net expenditure of foreign exchange that Brazil was incurring after the second oil crisis, which reached levels of about \$9 billion in 1980 and \$10 billion in 1981, was reduced to \$7 billion in 1983 and an additional reduction to \$5 billion is envisaged for 1984," observed the president of PETROBRAS, who predicted that by the end of the year, the country should be producing 520,000 barrels or more daily (current production is running around 440,000 barrels daily).

According to Shigeaki Ueki, the results obtained were the direct consequence of the priority given to exploration and production activities, investments on which increased from 586 billion cruzeiros in 1979 to 1.371 trillion in 1983 (at 1983 prices).

8711

CSO: 3342/91

COST OF IMPORTED OIL DROPS TO \$4.8 BILLION IN 1984

Rio de Janeiro O GLOBO in Portuguese 6 Apr 84 p 19

[Text] The president of the Brazilian Petroleum Corporation (PETROBRAS), Shigeaki Ueki, announced yesterday that the estimate of expenditures on the importation of oil this year, which was \$5 billion, has been reduced to \$4.8 billion--40,000 barrels a day less--due to increased production and reduced consumption. Last year, the expenditure was \$6.8 billion. According to him, these figures already take into account the profit which Brazil makes on oil imported and reexported after refining.

Speaking at the Second Seminar of the International Energy Development Corporation in Itaipava, Ueki predicted that by the end of this year Brazil will produce about 520,000 barrels a day and import between 450,000 and 460,000 barrels, approximately 10 percent less than the previous estimate.

"In August we achieved 500,000 barrels of production daily and one day we will be selfsufficient," he remarked. He also asserted that the country's oil supply for this year is assured.

8711

CSO: 3342/91

BRIEFS

OIL PRODUCTION RECORD--Sao Paulo--The Brazilian Petroleum Corporation (PETROBRAS) yesterday established a record with a production of 458,369 barrels, two-thirds of which represented extraction offshore and the remainder on land. The information was revealed by the corporation's production director, Joel Mendes Renno, in a talk given in the "Brazil-Sweden Technical Week" program. Renno said also that PETROBRAS expects to reach the peak of 500,000 barrels daily in the second half of the year and then insure a daily average production in 1984 of 460,000 to 465,000 barrels daily. He said also that the best bid by foreign companies for operation of an MSV support platform in Campos Basin--which accounts for 80 percent of all the oil extracted from wells located in the country's continental shelf--will be selected by the end of the first half of the year. [Text] [Rio de Janeiro O GLOBO in Portuguese 6 Apr 84 p 17] 8711

OIL RESERVES DATA--The president of PETROBRAS, Shigeaki Ueki, revealed yesterday that Brazil has oil reserves equivalent to 2.4 billion barrels. Reserves totaling 3.9 billion barrels were delimited between 1954 and 1983 and during that period the consumption of oil extracted in the country was 1.5 billion barrels; therefore, 2.4 billion remain as a known reserve. Ueki closed the Second Seminar of the International Energy Development Corporation in Itaipava which, since Sunday, has brought together experts from 33 countries. According to Ueki's argument, the oil crisis showed that the creation of state enterprises is essential for oil activity in the undeveloped countries. The president of PETROBRAS stressed that the corporation uses 85 percent of its own funds for its operations and contracts only 15 percent of domestic and foreign loans to meet its targets. Ueki declared that in 1957 PETROBRAS used to buy abroad 80 percent of the parts and equipment it needed, and at the present time its imports amount to 12 percent of the total. [Text] [Rio de Janeiro O GLOBO in Portuguese 6 Apr 84 p 17] 8711

CSO: 3342/91

ELECTION CALL ELICITS ACTION BY PARTIES, COMPLAINTS

ALP Miniconvention

St John's THE WORKERS VOICE in English 24 Mar 84 p 1

[Text]

The Executive of the Antigua Labour Party has decided to hold its second mini-convention at the Ottos Comprehensive School on Sunday 1st April 1984. It is expected that the presentation of all A.L.P. candidates for the up coming General Election would take place, and the Convention would be asked to ratify each one's candidacy. It is also anticipated that the Prime Minister may use the opportunity to announce the date for the General Elections which are heavily tipped to take place in the latter half of April. Elections are not officially due until the first half of 1985.

The current betting is that the A.L.P., who is currently enjoying a wave of popularity because of its programs whereby most Antiguans are working and are enjoying a high standard of living, may capitalise of this favourable

trend and call elections before June 1984., at least one year before they are officially due.

Democratic parties in the region have enjoyed an abundance of popularity since the brutal slaying of the Marxist Prime Minister of Grenada by his colleagues. Seaga of Jamaica immediately called elections after the Grenada fiasco and caught left-leaning Manley with his trousers down.

He preferred to run rather than take a beating. Meanwhile Antiguans and Barbudans continue to enjoy the highest standard of living in the entire West Indies.

The masses continue to like it so, and are not going to change that for another five years of misery, like the period from 1971 to 1976 when George Walter was able to play on people's emotions and told them

that they needed a change. That 5 year change under George almost crippled Antigua.

Polls taken show that Labour will win two additional seats in the constituencies of St. John's City West and St. Marys. The U.P.M. is still desperately searching for presentable candidates to contest the elections.

The last mini-convention was held by the ALP before the last General Elections, in which the Party sought a mandate from the electorate to take the country into independence. The ALP won 13 of the 17 seats.

This time it looks like 15, and with the member for Barbuda co-operating with the Govt. then it could be 16.

The A.L.P. Manifesto would be presented and discussed at the Convention.

Failure of Opposition Unity

St John's THE WORKERS VOICE in English 31 Mar 84 p 1

[Text]

During the debate of the Senate on Monday 26th March in which the 1984 Budget was debated, Sen. Stevens who was making his contribution at the time was interrupted by a Government Senator in cross talk and he made it very plain that there would definitely be no marriage between the P.L.M. and the U.P.M. Senator Stevens was very critical on certain sections of the budget, questioning certain allocation in the Estimates which he did not agree with. He deplored the bad state of roads and pin pointed specifically shabazz Road, which he said he brought to the attention of the Minister of Public Works. He said that the Minister refused to assist.

Sen. Stevens was speaking in the absence of the Opposition leader in the Senate, Hon. Victor Mc Kay who along with Charlesworth Samuel are the ring leaders from the P.L.M. who want an accommodation at all cost. They have been leading the talks with the U.P.M.

The last set of talks was held at Wilmoth Daniel's home on St. John's Street on Monday and Thursday nites. It is understood that they want Hall to stand down and allow Charlesworth to run in his place in his area and George would then move up to Charlesworth old St. Luke/All Saints East seat. Halstead must give way to Barry Knight in City South, Mc Kay should leave Bolans to Sebastian and move over to oppose Lester, Reg Halstead should withdraw from Point and leave George Pigott.

The people with guts in the P.L.M. have opposed

this 'sell out' so it is believed that this prompted the outburst from Sen. Stevens.

The whole thing stems from the fact that Charlesworth and Victor wanted the Govt. to create two additional seats for the P.L.M. Talks went smoothly between themselves and the Deputy Prime Minister, until it was pointed out to them that no Government could create new seats for an opposition to win. After all what would the electorate think of such a Government, they would lose, and quite rightly so the confidence of the country. To meet the opposition proposals, many constituency boundaries would have to be altered and then the Government would be accused of gerrymandering. Imagine a Party which won 13 of 17 seats just 4 years ago, adding 2 seats and gerrymandering the others. Man, they would have to be crazy.

So the Boundaries Commission did the next best thing, they added a few more P.L.M. votes to

Charlesworth constituency making it better for him. But Charlesworth heard that George was afraid to meet Humphreys in All

Saints West, so he chose to oppose Charlesworth immediately on hearing this, Charlesworth panicked and rushed to Lester and said that he was betrayed. He phoned George right away and requested a truce. This was the beginning of the ill-fated talks.

So Charlesworth although the Government tried to accommodate you, they could not create 2 additional seats for you to win. No way!

ALP Position

St Johns NATION'S VOICE in English 31 Mar 84 p 1

[Text]

Now that the official start of the 1984 General Elections has been announced, with the disolution of Parliament, the sounds of public address speakers at frequent political meetings heralds the important date.

It is a healthy sound for Antigua and Barbuda, as the variety of political views clearly indicate the Nation's, and indeed the Government's commitment to democracy in the political process.

The four contesting parties all enter the race knowing that they are privileged to enjoy the process of free and fair elections in which the people's will is paramount. In other parts of the world, and even in some of our sister Caribbean territories we have witnessed the tragic results of having people's wishes stifled.

The events in Grenada, which culminated in the brutal murder of the Prime Minister and members of his Cabinet, came out of the oppressive atmosphere created by the Marxist Government. Grenada did not enjoy free and fair elections or even any kind of General Elections. The New Jewel Movement practices the policy of paramouncy of the party, and opposing points of view were quickly silenced by the government. Similarly, freedom of speech, the press and people's movements were curtailed by the Marxist administration.

Freedom from fear is inherent in our society, the

people of Antigua and Barbuda are able to openly discuss their political views about the management of the Country. The future of this Nation lies solely in the hands of our citizens, who will freely elect the government of their choice.

While all four of the political parties have an even opportunity in the election race, the electorate will have to weigh up the advantages of one against the other. A key factor which will undoubtedly influence most voters must be the wish for continued political stability improved job opportunities with economic growth, and a secure democratic future for our young. In this case, the Antigua Labour Party (ALP), who form the present Government, have an unblemished track record and would be considered as the front runner.

In our region, where peoples are living through times of economic and political turbulences, the wisdom of our experienced administration is essential. The Governor General, Sir Wilfred Jacobs, in delivering the 1984 Throne Speech said that the present Government has a wealth of experience. *"My Government managed the economy with wisdom and prudence, born of the one hundred and forty-eight years of practical experience of Government, which my Prime Minister and his Ministers collectively have among them."*

"The experience of managing a Government inherent in the ALP Administration, is a far cry from even

the collective experience of the three opposition parties. In the Progressive Labour Movement (PLM), two persons represent ten years of decision making at the government level. Only five years of experience is available from the United People's Movement (UPM). In the case of Antigua's marxist opposition, ACLM, there are no years of experience. In total, the combined forces of the opposition parties can only offer the people of Antigua and Barbuda fifteen years of experience, as compared to the ALP's one hundred and forty-eight years.

When the people of this Nation go out to cast their votes, they will be giving them to the party which can support our traditions of democracy, safeguard and improve our way of life, and uphold the rule of law to present any Grenadian type activities taking place in our society.

In the inside pages of this newspaper, the attempt by the past Marxist Administration in Grenada to inhibit religious freedom is revealed. We must examine these disclosures carefully and thoughtfully for in them is an insight of how the Marxist mind operates. Any form of association with Marxism can only lead this Nation down a disastrous path. In the coming election, the people of Antigua and Barbuda must clearly demonstrate their commitment to our democratic way of life by voting for an experienced and safe administration.

St Johns THE STANDARD in English 31 Mar 84 p 2

[Editorial]

[Text]

The ALP Government has now intensified its use of ABS Radio and TV in campaigning for the forthcoming General Elections. Night after night the facilities of ABS Radio-TV owned and maintained at the expense of all the taxpayers of platform speakers at ALP public meetings.

This is yet another of the many acts of downright unfairness and abuse of power and privilege on the part of the ALP regime, on matters pertaining to the forthcoming General Elections. Taking effect from March 1, were the iniquitous and scandalous Constituency Boundary Charges contrived and hatched by the ALP, under the guise of a so-called impartial Boundaries Commission set up in accordance with section 53 of the Constitution of Antigua and Barbuda. Under the gerrymandering exercise, no attempt whatever was made to even out the vast inequities in numbers of registered voters in Constituencies. Instead the Constituency of St. Luke, an already large Constituency comprised of the villages of Swetes, Bishops, John Hughes, Sawcolts, and Old Road, was extended all the way to Mount Joy at Vernons, and saddled with another 895 registered voters to become the new Constituency of St. Luke and all Saints East.

Having so boldly and unashamedly demonstrated their love for dishonesty and unfairness and their utter disregard for what makes for good conscience, fairness, and equity in our society as far as Constituency Boundaries are concerned, the ALP has suddenly escalated the use of the facilities of ABS Radio-TV dragging them full blast into their election campaign. This clearly shows that as far as the ALP is concerned "the end justifies the means," hence any and every thing is RIGHT and PROPER so long as it is done with the aid of achieving a win for the ALP at the forthcoming General Elections.

If the facilities of ABS Radio-TV are to be used by ALP for carrying long and protracted excerpts of speeches and pronouncements of platform speakers at ALP public meetings now being held all over the island, then the very same service should be made available to the Opposition, since the people who support the Opposition are just as much taxpayers as those who support the ALP Government. It is indulgence in such patently unfair practices by a ruling Party that breeds such strife, unbrest, revolt, chaos, and confusion in societies.

The bloody events in Grenada last October and the unpleasant events still existing in that country even now, have been the direct result of former Prime Minister Eric Gairy. The flagrant abuses of human rights in the Republic of Guyana come readily to mind. If the ALP continues to pursue this DISASTER COURSE of abuse of power and privilege, then the consequences to Antigua and Barbuda will be inescapable. As night follows day, the evil consequences are bound to follow.

The ALP regime clearly under-estimate the schools and all other institutions of learning in the country, when it indulges in such open and pronounced acts of unfairness and injustice. How can young people be urged to strive after honesty and fairness when the very Government who administers the schools and who control the teachers and the pupils themselves, wallows in the gutter and muck of such gimmickering dishonesty and unfairness?

This newspaper categorically and unequivocally condemns the ALP Government for taking to itself all the facilities of ABS Radio-TV and using them as if they were privately owned, to the total exclusion of the Opposition. All groups and organizations in the nation including the Church, should do the same and point out to the ALP regime the grave error of their doings. The safest and most effective way to avoid and avert rebellion and anarchy in any society or country is by pursuing the path of honesty and fair-play. But the ALP regime has chosen to pursue a DISASTER COURSE where the ultimate is inescapable.

ACLM Analysis

St Johns OUTLET in English 16 Mar 84 pp 1, 2

[Excerpts] The Bird government will call a snap election in April 1984 at least one year before Elections are constitutionally due in Antigua and Barbuda.

The snap Election is 74 year old V.C. Bird's response to his declining popularity due in the main to his senile leadership, to the flagrant corruption of his government and the total mismanagement of Antigua and Barbuda's economy by the Bird regime. All public meetings held by the ruling ALP have been poorly attended and ALP speakers, as usual, have resorted to gutter language and gutter lies.

All essential services have deteriorated beyond belief. An E.C 25 million dollar loan for generators brought no improvement in electricity supply. Regular blackouts as well as voltage fluctuations have done severe and untold harm to household appliances and to business. The roads are a chequer board of pot holes. While water supply to the country, to the citizens as well as to the tourist industry is the worst it has been in the last 25 years. The mismanagement and gross incompetence is clear to the naked eye.

There is an open split in his party, the ruling Antigua Labour Party, which party is the result of a merger in 1975 to the conservative APP and the ALP.

The split has showed itself in two factions which split it openly and publicly represented in two campaign teams. Lester Bird in a bid for power has gathered around him a Young Mafia which is challenging most of V.C. Bird's Old Guard nominees. First they forced both Senator Bill Abbott and Jerry Aska as candidates in the St John's City West (Point-Villa) seat and replaced both with the renegade Henderson Simon. Simon until 1976 was a member of ACLM but was rejected by ACLM in that year for selling out the interest of non-established PUA workers who had gone on strike in solidarity with him in 1973.

Then the Young ALP Mafia, led by Lester Bird forced out Attorney General Keith Forde as a candidate in St Mary's North, replacing him with one from among the Young Mafia, Monroe Joseph. That fight in the ALP led to a bitter fight in the ruling ALP as Attorney General Keith Forde alleged that a Cabinet member, believed to be Hugh Marshall, Lester's chief bottle-washer, had hatched plans to have Forde stoned if he dared to hold a public meeting in the Constituency. Eventually, Forde, threatened with violence from within his own party, withdrew from the contest and the Young Mafia had triumphed over V.C. Bird's Old Guard by the threat of violence.

Attorney General Forde is also alleged to have claimed that his Young Mafia opponents within the ALP will resort to violence and murder in their bid for power, just as Deputy Prime Minister Bernard Coard did in Grenada. The mayhem has already begun, the murder or murders may follow.

Meanwhile, Finance Minister John St Luce is known to be bitterly disaffected and has only campaigned so far in his own constituency. He has made it clear if ever Lester Bird succeeds his father V.C. Bird as Prime Minister and Reuben Harris, Minister of Education is appointed over him he will resign from the government and the party forthwith. So serious is the rift that St Luce will present his own manifesto in his own constituency, featuring not the Labour Party, but himself.

Meanwhile too, it is alleged that another contender for the leadership on ailing V.C. Bird's step down from power (V.C. Bird is troubled by a serious prostate ailment) journeyed to Haiti to consult the Voodoo oracles about his future. Labour Minister Adolphus Freeland has not scotched these Voodoo cult allegations by a public statement.

The ruling ALP is thus riven into several factions. Illness, senility, greed, over-ambition, corruption and mismanagement have plagued the party and its last years were characterised by a total lack of direction, of policy or programme. The ALP is now depending on patronage, on giving jobs for votes, which jobs will result in immediate lay-offs if it is successful in the General Election.

The assault on every principle of decent government by the Bird regime was officially recorded in the Auditor's Report on Antigua. The Auditor General recorded in the 1981 Audit Report that it is "practically impossible for Parliament to exercise its mandate to evaluate the effectiveness of the management of public funds by the administration." The Auditors Report showed how Ministers entered into all kinds of transactions with public funds but the monies collected by the Ministers "are not reflected in the Treasury records." No revelations, not even the Auditor's official report, has checked the Bird ravage of and rampage with public funds.

The Bird regime, unable to answer any of the numerous charges against it for unlimited corruption with public funds, the latest being the embezzlement of millions recorded in the Caribbean Development Bank's audit of the Sugar factory loan funds, has resorted to the worst kind of red-baiting,

accusing all of its opponents of being "communists." This red-baiting has been directed mainly at ACLM, but recently former Premier George Walter, now political leader of the UPM, has been dubbed a "communist" by ALP red-baiters. Red-baiting is the Bird regime's only tactic.

The April snap Elections could bring the end of the Bird regime, if opposition forces succeed in forming a United Front in the face of the snap election. The prospect of a United Front of Opposition parties ACLM, PLM and UPM has already frightened the ruling ALP into desperation. Desperate efforts were made by ALP big wigs to keep Opposition Leader Robert Hall out of the United Front. Discussions are still in process among the parties and the result will prove whether the personal ambition and old feuds between two of the leaders will be put before the national interest and prevent unity of the opposition.

Report on Party Candidates

Port-of-Spain TRINIDAD GUARDIAN in English 11 Apr 84 p 5

[Text] St John's, Tues, (AP)--Elections workers are readying 77 polling places to facilitate the approximately 31,000 voters expected in April 17 elections. The three parties contesting have named 39 candidates for the 17 constituencies.

The ruling Antigua Labour Party (ALP) of Prime Minister Vere Bird will field 16 candidates while the parliamentary Opposition, Progressive Labour Movement of Robert Hall will field only four candidates. The new United People's movement of premier George Walter is fielding 15 candidates. None of the three parties is contesting the island Constituency of Barbuda where two independents are running.

CSO: 3298/709

PART I OF ST LUCE'S PRESENTATION OF 1984 BUDGET

St Johns NATION'S VOICE in English 31 Mar 84 pp 6-7, 9

[Text]

"This country has assets valued at approximately \$1 Billion. Thanks to the combined effort of Government and most of the private sector, our economy is sound, our future looks good and there are creditors still trying to lend us monies. Simply put that shows confidence, that shows faith our future."

So said Finance Minister, Hon. John St. Luce, while recently delivering his 1984 Budget Address in Parliament.

Mr. St. Luce said:-

"Mr. Speaker and Honourable Members of the House of Representatives, it is a great honour for me to rise and move that the Appropriation Bill for 1984, in which the Government has outlined its Fiscal Policy, be read a second time.

"Last year I indicated to this honourable House that the 1983 Budget was introduced against a background of World gloom and fears which threatened the stability, and in some cases, even the very existence, of many countries in the World.

"During the years 1981 to 1983 more commercial banks closed in the USA than at any other time since the Depression of the 1930's. The number of bankruptcies in general were ominously close to the all time high record set during the Great Depression of fifty years ago.

"As everyone knows these problems were not confined to the USA but existed in other developed metropolitan as well as the developing countries of the World, almost without exception.

"Today, I can report that there are some indications that in a few developed countries the worst of the Recession appears to be over, and this is particularly so in the USA.

"A word of caution however is necessary; we must note and this must be emphasized, that the rise in economic activity in the USA is not being matched any where else. In parts of Europe, in the OPEC Countries, and in most developing countries, economic activity and trade have fallen off in the process of adjustments to international debt problems.

"Mr. Speaker and Honourable Members of the House of Representatives, you might well ask why is this so? We must not forget the fact that with better communication links and the spread of mass media, we live in a time of unprecedented demand of goods of all sorts.

"Every man and woman in every country, whether totalitarian or democratic, have a different frame of reference than that of 40 years ago. People want an increasing range of goods and services, and, as in most cases, wherever there is the demand the supply will have to be forthcoming, sooner or later.

"The Economist, Mr. Irving S. Friedman, has explained that after the Second World War, which ended in 1945, Governments could not survive, nor could opposition parties (when they are allowed) come into power, unless they promised rapid, general, and major improvements in the material well-being of the people. Governments therefore needed money in great quantities.

"Money was needed, and still is, to build roads, schools, hospitals, bridges, dams, clinics, harbours, power plants, factories, housing etc. etc. that people clamoured for. The result of all this, is the huge borrowings by almost every country in the World hence the towering global debt situation which gets worse every year.

"To make bad matter worse, the situation dramatically deteriorated after 1973. That was the year when OPEC (the Organisation of Petroleum Exporting Countries) drastically cut the flow of oil to the rest of the World.

"As 'Awake' magazine says, the World "reeled from this devastating move".

"Surely we all remember that oil prices soared to unprecedented heights and needless to say the World economy suffered and in some sections have not yet recovered.

"Up until now, the situation outlined above, coupled with high interest rates, fluctuating currency exchange rates, and a degree of protectionism creeping up in trade relations, have resulted in continuing high unemployment levels in much of the World.

"The economy of our Nation, Antigua and Barbuda, one of the World's micro-states, must be viewed against this background, because, as is well known, the countries of the World today are more economically interdependent than ever before.

"The well known writer on economic affairs, Mr. Richard C. Schroeder, has this to say - "under-development in the poorer countries is an increasing burden on the rich nations, just as waste, inflation, and economic difficulties in the rich countries are a threat to the well being of the poorer countries...the search is on for a new set of economic and political standards that will conform to the changing reality of the World".

"The World Economy has been undergoing a radical transformation over the years and the basic structure of the former Old World order is changing. It was, and still is, generally assumed, though with certain modifications, that the countries of the World can be divided into three camps.

"We have what is referred to as the First World which comprise the industrialised democracies of the west together with Japan. The Soviet bloc countries made up the Second World group. It was also generally agreed that the bulk of the power and wealth of the world were concentrated in these two camps. Beyond these two "World" groups, we have a large group of the Less Developed Countries, most of them poverty stricken - the so-called Third World.

"Those who study history will confirm that several decades ago international relations were shaped largely by the conflict and resolution of the separate interests of the various countries of the World. Today, to a very large extent, they are conditioned by the fact of global interdependence.

"Mr. Speaker and Honourable Members of the House of Representatives, let us understand certain facts of life. The benefits of economic interdependence are the substantial increases in the quantities and varieties of goods and services available through participating in the world economy.

"If a country were required to limit its consumption to goods and services produced at home, then standards of living throughout the entire world would fall.

"To emphasize this point, I will quote from the report published by the distinguished commission on international development issues, chaired by the former chancellor of West Germany, Mr. Willy Brandt - "above all, the achievement of economic growth in one country depends increasingly on the performance of others."

"Mr. Speaker and Honourable Members of the House of Representatives, we must understand the simple fact that the development of export industries enables a relatively small country such as Antigua and Barbuda to break out of the constraints of its limited domestic market into the economies of scale afforded by the world market, hence our emphasis on trying to attract small manufacturing industries at the Coolidge Industrial Site.

"As mentioned earlier on in my address, most experts have agreed that economic recovery on a worldwide basis has been uneven and generally disappointing, although the recovery in the USA has progressed remarkably well, particularly during the last 9 months.

"Within the Caricom Region, the situation is far from happy as countries such as Barbados, St. Lucia, Antigua and Barbuda, which have developed small manufacturing sectors, all experienced market problems, particularly with Jamaica and Trinidad and Tobago.

"It is therefore obvious that if our young Nation, Antigua and Barbuda, is to be successful in its economic development and diversification programme, we must seek to develop extra-regional markets.

"This is why we have welcomed the Caribbean Basin Initiative and are anxious to exploit whatever opportunities it presents.

"Mr. Speaker and Honourable Members of the House of Representatives, according to reports published by our regional institution, the Caribben Development Bank,

headed by the distinguished West Indian, Mr. William Demas, the year 1983 saw the demand for major commodity export items from the Caribbean as sluggish and prices unattractive.

"Coupled with this fact there was more intense trade competition in the markets of the industrialised countries from similarly placed non-Caribbean Developing Countries. The CDB newsletter for the first quarter of 1984 also stressed point that there was further adverse impact on the region because of the strength of the U.S. dollar to which the currencies of borrowing member countries are tied.

"In its analysis of the Caribbean's economic problems, the CDB publication states that despite the strong competition from other destinations, and in particular Mexico which significantly devalued its currency, and Eastern European Countries whose currencies fell against the U.S. dollar, Caribbean tourism, Antigua's main industry did not fear too badly. This glimmer of hope was due to more intense promotion and price reduction for accommodation in some Caribbean islands.

"From preliminary data available it appears as if the output for CARICOM as a whole and real purchasing power remained stagnant during 1983. The CDB goes on to note that there has been some increased in unemployment, a reduction in foreign exchange earnings, and a debt burden which is increasing in real terms because of the appreciation of U.S. dollar.

"The net result of all these factors is that Governments in the Caribbean region are struggling to maintain economic momentum at the cost of high taxation and or increasing domestic borrowings.

"Bearing in mind the economic interdependence of Nations which I have referred to earlier, if there is a sustained, broadly-based and geographically widespread economic recovery in the industrialised countries, this would assist to promote Caribbean economic recovery. However, should the international economy not enjoy a sustainable recovery, then the prospects for Caricom economies will remain very grim indeed.

"As the CDB emphasizes, "whether or not there is sustained recovery in the international economy, in order to respond and adjust to the current difficult economic situation, Caricom Governments will need to take positive actions during 1984. These include:

- (a) *"Taking steps to raise productions and productivity and to improve the international competitiveness of Caricom producers in food, export agriculture, manufacturing and tourism;*
- (b) *"Encouraging domestic savings and directing or influencing allocation to national priority areas;*
- (c) *"Reducing fiscal deficits and borrowings from the banking system by improving the cost and efficiency of the Central Government, Public Utilities and State Enterprises and making the latter two financially self-sufficient so as to free resources for productive sector activity;*

(d) *"Improving on regional goodwill and using existing and improved regional arrangements to foster the utilization of regional markets as a market launching pad for goods with higher regional value added;*

(e) *"Minimising the growth of short - and medium-term external debt on commercial terms and seeking to obtain more concessionary development finance;*

(f) *"Co-operating with regional and international financial agencies in developing and implementing reasonable and practical domestic development strategies, policies and programmes;*

(g) *"Co-operating with labour and the private sector in developing sensible national strategies, policies and programmes;*

(h) *"Making greater productive use of existing infrastructural facilities and paying greater regard to maintenance and improvements;*

(i) *"Intensifying cost-effective promotion for tourism and exports of manufacturers; and*

(j) *"Creating an environment for the developing of cadres of skilled persons, managers and entrepreneurs to meet successfully the production challenges of 1984 and beyond."*

"I want to take this opportunity to emphasize that in Antigua and Barbuda, despite the apparent drop in the rate of growth in 1983 to under 3% we have in fact been experiencing low inflation in combination with steady growth over the past 5 years. The average rate of growth has been in the region of 4% per annum in the late 1970's and early 1980's so far and the rate of inflation for 1982 over 1981 was 4.2% and for 1983 it is estimated to be approximately 2.5% over that of 1982.

"This combination of steady growth and reduced inflation benefits each and every citizen in our small Nation and I can promise you that one of our main goals is to reinforce that situation with the appropriate policies and programmes.

"Mr. Speaker and Honourable Members of the House of Representatives, I have provided you with a brief analysis of the economic situation in the World and in our region in particular. I have also given you the recommendations of the experts based at the Caribbean Development Bank, our very own regional financial and development institution. These recommendations are put forward as possible solution to the Caribbean region as a whole.

"But there is more to come. As you are well aware, the Caricom countries are also members of the International Monetary Fund and the World Bank. The latter world institution published a recent report entitled "Caribbean Group: current situation and prospects" and noted that the international recession has presented serious challenges to the economies of the Caribbean region.

"Despite the apparent stabilization in world prices of traditional export commodities, the continued weak foreign exchange position prevents them from making their contribution to a dynamic and sustainable recovery.

"We must note that the World Bank comments on the fact that only Jamaica and Barbados of the Caribbean Islands showed any strong recovery in the tourist market while Antigua and Barbuda continued on the path of growth.

"Again, while most of our Caribbean partners had to engage in sharp price cutting to stimulate visitor demand and maintain a reasonable level of activity in their tourism sectors, Antigua and Barbuda continued with its upper price structure with remarkable results.

"On the other hand, I must point out that the unfavourable performance in our export sector accounted for the low growth rate of Antigua and Barbuda's economy, while Barbados, Belize, Guyana and Jamaica actually recorded negative growth rates in 1982.

"As indicated earlier, this decline in export performance was mainly in our manufacturing sector which resulted from trade imbalances in our Caricom partners and a blocking of markets by Jamaica and Trinidad and Tobago, the global economic situation and the current depressed state of the oil industry. As indicated before, Antigua and Barbuda, despite these drawbacks, did experience real economic growth.

"I wish to take this opportunity to point out to so-called critics of our industrialisation programme that economic development is not an overnight miracle.

"Mr. Speaker and Honourable Members of the House of Representatives, I want to remind you that it is instead, a long term process which depends on extended effort, a process which involves self-sacrifice, and discipline. This point can not be emphasized enough. I don't say that we have to re-invent the wheel, but we must understand that effort, sacrifice, and discipline are required.

"Mr. Speaker and Honourable Members of the House of Representatives, I want to take this opportunity to state categorically that our continued economic expansion is needed, not just for expansion per se, but to ensure that we can supply an increasing amount of production for both the local and overseas markets, and most important, create meaningful employment opportunities for our young people who are leaving school at the rate of 1,200 per year.

"I contend that in order for a country to launch out on its development programme and meet with reasonable success, it has either to be rich in resources, or it has to be heavily financed from external sources, or finally it has to have the type of governmental system which will be capable of imposing on its people a wide range of hardships and encourage great sacrifices that will hopefully result in long term benefits.

"I wish to emphasize, that the question we must ask ourselves, and answer, when a country is already poor, (as most of the world is), is it not next to impossible for a democratic governmental system to impose these hardships and sacrifices? Think of that for a moment.

"These days it is the vogue to emphasise economic growth in terms of per capita income. But Mr. Speaker and Honourable Members of the House of Representatives, while per capita income is important as a measure of progress some weight must be given to two other objectives.

"In Antigua and Barbuda we have tried a mixture of all these. We have imposed sacrifices to a very limited extent; we have tried to ensure that our citizens become involved in the progressive areas of our economic development through our Antiguanisation Programme, and finally we have had to encourage foreign investment.

"Those who are against foreign investment must answer the question - are we as a people, bearing in mind our ever increasing expectations and aspirations, prepared to make significant sacrifices in terms of our objectives, in order to limit the role of foreign investment in our economy?

"Those who criticise the Country's borrowings must answer these questions and the people of Antigua and Barbuda must understand the implications of what we are saying. It is so easy to condemn and to criticise but the Government believes it has a responsibility to the population as a whole and will not be diverted from the goals set by the people in the elections of 1976 and 1980.

"Mr. Speaker and Honourable Members of the House of Representatives, I want to emphasize and emphasize well, economic development requires a certain measure of security, a certain level of political stability. I don't have to tell you that insecurity and instability are major barriers to development, major impediments to economic growth. Look at much of the world today and you will quickly grasp the import of what I mean.

"In our micro-state of Antigua and Barbuda we are fortunate, very, very fortunate, that the required levels of security and stability are present and will remain so, once the people act rationally and realise where their interest lies. These are great assets and must be guarded at all costs.

"Many visitors to our shores, many immigrants to our country, marvel at the tranquility existing in our community. They wonder at the level of freedom; freedom of speech, freedom of movements, freedom to set up businesses, freedom to write as you like, etc. etc. Our citizens must reflect on this fact for a moment and realise they have something to treasure.

"We say to you, hold fast to what you know and to what you have. I want you all to bear that in mind in the months ahead.

"Mr. Speaker and Honourable Members, it is now time for us to examine the various heads of expenditure before you. As you are aware, the annual estimates are the projections for the various ministries and departments and do not include governmental bodies such as the Central Marketing Corporation, the Agricultural Development Corporation, the Antigua Sugar Industry Corporation, the State Insurance Organization, the Port Authority, the Social Security Board, the Medical Benefits Scheme, the Antigua Public Utilities Authority, etc.

"However, it must be noted that some of these government agencies do receive funding from the Government

direct and indirectly, either in the form of payments for goods and services supplied or advances and subsidies.

"These projections, both Revenue and Expenditure, usually arrive at the Ministry of Finance some time between November and February, hence there is always the last minute rush. The Ministry of Finance then has the difficult and unpopular task of trimming some of the projections in order to arrive at some reasonable totals.

"This is not easy because each Ministry just as in every other country wants to spend more and more each year. The results, the budget projections usually turn out to be a compromise at best, but it is one thing to want to spend and spend but the other side of the coin is we have to find the money first.

"The austere funding environment in which most countries are forced to operate, further complicates the problem. Nonetheless, we in the Ministry of Finance do our utmost to meet the impossible demands and it is not easy.

"Mr. Speaker and Honourable Members of the House of Representatives, the total estimated Recurrent Expenditure for fiscal 1984 is \$124,550,943 and the total estimated Recurrent Revenue is \$107,511,557 thus leaving us with a Projected Deficit of \$17,039,386.

"As usual, it will be noted, that although the Total Expenditure is \$124,550,943 the appropriation bill itself seeks the authority for Expenditure of \$98,061,198, the difference of \$26,489,745 being statutory expenditure as outlined in our 1981 constitution sections 95, 96 and 109, the representation of the Peoples' Act 1975. All relevant details are in the estimates of revenue and expenditure before you.

"The Total Projected Expenditure for Head E. 1 - Governor General is \$335,781 which represents approximately 0.2% of the recurrent budget. An amount of \$172,156 has been set aside for personal emoluments, that is, the estimated salaries of monthly paid established employees together with various contributions.

"The sum of \$134,635 has been allocated for other charges, which comprise of such items of expenditure as salaries and wages for the monthly and weekly non-established employees, vehicles maintenance and operation expenses, etc.

"Special expenditure is estimated at \$29,000 and, like most expenditures, will be subject to the availability of funds. Please note that the brief descriptions provided for the categories of personal emoluments, other charges, and special expenditure, apply throughout this budget address so there is no need to waste time repeating these explanations.

"Head E. 2 - Legislature. This head of expenditure includes the Senate and the House of Representatives and the total projection is \$594,373 or 0.4% of the recurrent budget. Of that amount \$367,673 represent estimated costs under subhead personal emoluments, \$217,700 other charges, and \$9,000 special expenditure.

"You are not doubt aware that in the recently approved report by the Constituencies Boundaries Commission to change in the number of Constituencies was recommended. There are therefore 16 Constituencies on the island of Antigua with a few alterations to some boundaries and the island constituency of Barbuda, thus the total of 17.

"Following the Legislature, is Head E. 3 - Cabinet, and the total Projected Recurrent Expenditure is \$1,025,783 which is approximately 0.3% of the Budget. \$779,483 will be earmarked for personal emoluments and the remainder of \$246,300 is the estimated cost of other charges and special expenditure.

"Head of Expenditure E. 4 - Judicial is only 0.1% of the Budget with a total allocation of \$140,000, representing our Country's share in the cost of this service. The renovations at the Old Court House in Long Street are almost completed and it is expected that the building will soon be in use once again.

"Head E. 5 - Services Commission. This head of expenditure has been allocated \$88,068 and this amount includes the cost of both the Public Service Commission and the Police Service Commission.

"The Sixth Head of Expenditure E. 6 - Refers to the Audit Department. The estimated Recurrent Expenditure is \$309,257 or approximately 0.2% of the Total Recurrent Expenditure. The Ministry of Public Works is now in the process of organizing better accommodation for the Audit Staff and for the storage of documents as the present building is adequate.

"Head of Expenditure E. 7 - Pensions and Gratuities represents 4.8% of Recurrent Expenditure and the projection for 1984 is \$5,968,190. As a matter of interest there are over 1,300 persons receiving pensions from the Treasury every month. During the past two years a number of Public Servants who had been dismissed during the period of 1971 - 1975 have received considerable amounts in compensation which totalled well over \$400,000. You would observe that the provision for this head of expenditure is increasing year by year, and this inevitable as people are now living longer than say 30 years ago.

"Mr. Speaker and Honourable Members of the House of Representatives, the Government of Antigua and Barbuda has allocated \$20,209,643 under Head E. 8 - Charges on Account of the Public Debt. This amount represents 16.3% of the Recurrent Budget and provides the servicing of principal and interest on Loans, Overdraft Interest, Interest due on Treasury Bills and Development Bonds.

"I am going to take this opportunity to give a more detailed review of the debt situation and mention some of the problems with particular reference to the overseas debt. This is necessary because it is evident that some persons mislead and misinform the public for the sensational effect they hope to create.

"Mr. Speaker and Honourable Members of the House of Representatives, a prominent U.S. Economist George O. Shultz, wrote an article redefining Governments' economic role and gave a commentary on the comparative advantage of Government. As an introduction to my subject, Antigua and Barbuda's national debt, I will draw on sections of his essay: *"No one can question that Government's role in the post war economy has grown tremendously, changed quantitatively, and has affected markedly, virtually every aspect of economic activity. We all know that Government is legitimate and necessary and that Government is here to stay. But, along with other leading institutions in our society, its performance is now widely criticised and reactions to its size, power and pervasiveness are increasingly sharp"*.

"I wish to emphasize that the foregoing statements are not only true of the U.S.A. but of all countries, whether totalitarian or democratic and are therefore true of our Country as well.

"Certainly, throughout the history of all civilisations the state has never been absent from the conduct of economic life. This was the case in all continents since man was created by the Almighty.

"Neither the great English Economist Adam Smith nor the French Physiocratic School denied the state a role in governing the economy. They were concerned, as we are today, at determining the boundaries between public and private control.

"Adam Smith believed that there were some functions which only the state could perform. But what is more, is, that this world respected economist believed that it was not merely private enterprise as such, but competitive enterprise that was the source of economic growth.

"I have deliberately provided this prelude, as part of our National debt was incurred in that area which one might deem to be an area for private enterprise, but one which we found was not competitive and did not strive to improve the economic growth of the community and meet the need of the State. At this point I am referring particularly to the Hotel Industry.

"Mr. Speaker and Honourable Members of the House of Representatives, in 1976 the Government of Antigua and Barbuda purchased the Halycon Cove Hotel and the Halcyon Reef Hotel. At that time, we were endeavouring, with limited success, to get the then existing hoteliers to open their hotels during the Summer months

"As the response was largely negative, the Government purchased the hotels to be a catalyst in the industry.

"Who can deny that our efforts have borne fruits and today, most of the Hotels in our Country open all year round.

"Again, we wanted the Hotels to increase their numbers of rooms as we were experiencing problems with Airlines which felt that we did not have enough rooms to warrant the introduction of more direct flights. Once again, the Hoteliers were not as responsive as we felt they should be and preferred to keep their 50 room privately owned compounds.

"The Government of Antigua and Barbuda in the interest of the economic development, borrowed externally and expanded the Halcyon Cove Hotel to 152 rooms and installed a Casino and other high grade facilities thus making it one of the best hotels in the Caribbean. Today, it stands as a beacon of which all Antiguan and Barbudans are proud.

"There is no doubt that our catalytic move has again paid off because plans are now afoot for some of the more profitable hotels to expand and others have since increased their capacity. This necessary action has caused a debt to the Government which presently stands at US\$6 million externally and EC\$4 million locally.

"The other Hotel, the Halcyon Reef is being sold and sale should be finalised by March 15 and the proceeds would be more than adequate to pay off the outstanding balances at the Bank of Nova Scotia and Commercial Holiday Inns of Canada.

"It should be obvious that Government responds more readily to the needs of its people than private enterprise; particularly in a third world country such as ours, and this is the nature of things. Not that private enterprise is not sometimes capable, but let to its own devices, the private sector through market forces allocates resources to different individuals which might not always be in the interest of the Country as a whole.

"For various reasons, it has long been a staple argument by economists that the resulting allocation, while efficient in many areas, will fail in some. The most obvious are the goods that serve society as a whole - defence, justice, education, health, police, most roads etc. Why would any one person want to maintain a road or some other such service? The expenditure obviously must therefore be provided.

"Mr. Speaker and Honourable Members of the House of Representatives, the Government of Antigua and Barbuda and its Agencies borrowed money from U.S. banks in 1966 to build a Deep Water Harbour and its accessories, Electricity Plant, and a Desalting Plant to supply water to this drought stricken Country of ours. Lack of adequate preventative maintenance by the previous Government and the oil crisis of 1974 caused the latter plant to be non economical and it had to be abandoned. Today, we still owe approximately US\$5.2 million for the Port Authority and \$6 million for the Desalting and Electricity Plants. The latter debts are now being serviced by regular payments to the U.S. based Exim Bank.

"Again, this Government responded to the needs of its people and borrowed money externally for many projects most of which are infrastructural by nature. These as we all know include the following: expansion of the Telephone System, Factory Shells for Industries, Generators to increase Electricity Supply, Water Development and Distribution, Housing, Small Scale Sugar Industry, Cargo Facility, and Loans for Student Higher Education.

"Coupled with the foregoing, our Government guaranteed all loans from CDB made to the Antigua and Barbuda Development Bank for on-lending to our citizens.

"All these, according to our records and confirmed by the IMF and World Bank amount to a national debt of approximately US\$53 million, inclusive of guaranteed loans of approximately US\$20 million.

"Mr. Speaker and Honourable Members of the House of Representatives, for years we constantly hear of the high national debt and the burden of the Government. Let me now say the obvious -- there is no Country in the World that does not have any national debt. As I stated earlier in my address a Country cannot develop without borrowing.

"This applies to both the industrialised metropolitan countries as well as to us in the Third World. Common sense tells us that what a country has to do is borrow, as far as possible, at concessionary rates for infrastructural development, and, for any commercial project, to ascertain that it is viable and can support itself or be self liquidating. This has been the policy of our Government.

"All of us should know that for whatever it is worth, the United States of America is considered to be the richest and the most progressive country in the world. That country's national debt is quoted as being over US\$1 trillion. It is said that a trillion dollars would be a stack of \$1,000 bills 67 miles high.

"This example gives an indication of the vast national debt of that advanced country with its mammoth population and resources. It would therefore seem that our national debt is miniscule.

"Let me say here and now we have not been servicing our national debt in a manner that we would like, but which country in today's world is successful in doing that? However, the national debt created was necessary and plans are afoot for rescheduling some items, continuing to service others, and liquidating others through dissolution of assets.

"Based on an initial investigation, this Country has assets valued at approximately \$1 billion.

"Who can doubt that, thanks to the combined efforts of Government and most of the private sector, our economy is sound, our future looks good and there are creditors still trying to seek us out to lend us monies.

"Simply put that shows confidence, that shows faith in our future. I think we all agree that financial institutions the world over only lend if they are confident their investment is safe.

"I will go further, Mr. Speaker and Honourable Members of the House of Representatives, and say that I do not agree that there is any reason to reduce the scope of Government's activity within the foreseeable future if our aim is a better economic, social and physical life. This is in keeping with our Labour Government's Socialist Philosophy.

(To be continued next issue)

CSO: 3298/708

ACLM ORGAN DISPUTES BIRD ACCUSATION AGAINST TIM HECTOR

St Johns OUTLET in English 16 Mar 84 p 1

[Text] Speaking to a public meeting in Seatons on Monday, which meeting was reported on ABS Radio and TV, Deputy Prime Minister Lester Bird told his pitifully small audience that ACLM Chairman Tim Hector was in Guyana on March 1st and 2nd for a meeting where Caribbean groups "planned to overthrow governments in their various territories."

Lester Bird forgot that on Thursday March 1st at George Weston House, ACLM Chairman Tim Hector addressed a large crowd in what has been adjudged "one of the best meetings in the State for a long, long time."

Nevertheless Lester Bird dug deep into his cache of lies, and pulled out this one placing ACLM Chairman in Guyana when the public knew he was in Antigua.

ACLM Chairman Tim Hector last left Antigua on 23 February for the College of the Virgin Islands where he gave a feature address which was carried on St Thomas TV. ACLM Chairman Tim Hector returned to Antigua on Saturday 25 February and has not left Antigua since.

Lester Bird now stands publicly exposed as a public liar.

[Editor's Note: Bird's charge against Hector was also reported, without OUTLET's refutation, by the PLM organ THE STANDARD of 17 March 1984, page 3, as follows; under the headline "Lester Accuses": "Antigua and Barbuda's Foreign Minister Lester Bird charged during a public meeting at Seatons on Monday night that there are political elements in the Caribbean who are still plotting to overthrow democratic governments in the region.

"Mr Bird claimed that earlier this month a meeting of 'leftist' leaders was held in Guyana when plans were made to oust elected governments of the Caribbean, including Antigua and Barbuda. He further claimed that Antigua's Tim Hector, leader of the ACLM, attended the meeting, supposedly chaired by Cheddi Jagan."]

CSO: 3298/709

BRIEFS

DIGITAL PHONE EQUIPMENT--Installation work on the new Digital Exchange System which will give local telephone consumers direct international dialling has begun at Cable and Wireless Complex at Clare Hall. The work is being supervised by Mr Tsutomu Ito, of NEC in Japan, who is the project manager. He is being assisted by two other Japanese, Mr Misaki and Mr Nagakauba. Cable and Wireless' local manager, Mr Andrew Fyfe, said that the engineers began the installation of the 15 tons of equipment which have arrived, and they are being assisted by a local Cable and Wireless Project team. He said the new system will become operational on October first, but will not go into service until January next year. In all, the project involves 22 tons of equipment and an investment of \$11 million. Public Utilities Minister the Hon Ernest Williams sees the installation of the new system as a step in the right direction and in keeping Antigua and Barbuda abreast with 21st Century technology. Mr Williams noted further that the project is in keeping with his government's plans to provide the best communications services to telephone users in Antigua and Barbuda. [Text] [St Johns NATION'S VOICE in English 31 Mar 84 p 12]

LIVESTOCK LOAN PLANS--Antigua and Barbuda is soon to submit an application for assistance to the European Development Fund, EDF, to back up its integrated livestock project. Discussions have already been held with EDF officials on the project, which involves loans and pasture improvements, assistance to small farmers, an expansion to communal grazing areas, and the acquisition of new facilities for use in the livestock sector. The Director of Agriculture, Mr Frank Henry, said that the application is currently being processed and will be forwarded to the EDF in time for approval towards the end of next month. The EDF has also been holding discussions with officials of the Caribbean Agricultural Research and Development Institute, CARDI, on EDF-funded projects on the island. According to Mr Henry, Ministry officials are also exploiting the possibility of obtaining EDF assistance in the area of animal feed in view of prevailing drought conditions in Antigua. Antigua is currently experiencing its worst drought on record. [Text] [St Johns NATION's VOICE in English 31 Mar 84 p 12]

COTTON YIELD--Antigua and Barbuda recorded the best cotton yield since 1976, when harvesting of the 1983/84 cotton crop at the Government's Agricultural Station at Dunbars came to an end recently. Station Manager Mr Vincent Belle said that from the 9 1/2 acres which were cultivated, some ten thousand pounds of cotton were produced. Mr Belle added that the present yield represents 3,000 pounds more than last year and attributed its success to on-timely planting and increased management control methods of the product. Mr Belle said that assessment of the cotton production of small farmers is yet to be carried out, but indications are that the yield will be a good one despite adverse weather conditions over the past year. Antigua and Barbuda exports cotton lint to Japan on an annual basis while the seeds are utilized by the neighbouring islands of Montserrat, Nevis and Barbados, as well as the local livestock division, for animal feed. [Text] [St Johns NATION'S VOICE in English 31 Mar 84 p 12]

HONG KONG INVESTMENT TEAM--A 14-member investment promotion mission from Hong Kong visited Antigua recently to examine the industrial climate here with a view to encourage joint venture establishments. The team, representing various spheres of industrial development, come from the Antigua and Barbuda Far East Investment and Development Company Limited, an agency set up to lure investors from the far east. According to a senior spokesman from the Ministry of Economic Development, the team held discussions with Prime Minister, the Rt Hon Vere Bird, Deputy Prime Minister, the Hon Lester Bird and representatives of the Antigua Chamber of Commerce and the Manufacturers Association. They were taken on a tour of the Coolidge Industrial Park to get first hand information of the garment and electronic industries there. The team's visit to Antigua was a result of the Prime Minister's trip to the far east in July last year with the hope of attracting investors. The Prime Minister's visit took in China, South Korea and Hong Kong where matters of strengthening relations and aid in the areas of agriculture and health were discussed. [Text] [St Johns NATION'S VOICE in English 31 Mar 84 p 12]

CSO: 3298/709

THREE POLITICAL PARTIES AGREE TO UNITE AGAINST GULP

Port-of-Spain TRINIDAD GUARDIAN in English 11 Apr 84 p 5

[Article by Alister Hughes]

[Text] St George's, Tues, (AP)--Former Chief Minister Herbert Blaize will lead a new national togetherness team, comprised of three political movements in Grenada's elections, leaders of the groups say. Francis Alexis, head of the Grenada Democratic Movement (GDM), and George Brizan, leader of the National Democratic Party (NDP), confirmed today earlier statements by Blaize.

Blaize, 66, led Grenada's Government in 1962-67 when the Eastern Caribbean island was a British colony.

The three groups will field a single slate of candidates in parliamentary elections expected late this year.

Union of the three moderate groups was sought to avoid fragmentation that would allow victory by the Grenada United Labour Party (GULP), led by former Prime Minister Sir Eric Gairy, or other groups. Gairy, whose domination of Grenada politics was tainted by reputed corruption and brutality, was ousted in a 1979 coup by the radical New Jewel Movement (NJM).

Earlier discussions of a unity movement stalled over who would lead the party, and the reluctance of Blaize's Grenada National Party (GNP) to end itself after 26 years. Alexis said the team for national togetherness would work together in terms of electioneering, fund-raising, promotion and so on.

The university law lecturer said his group hoped that the team would grow into a solid party. His Grenada National Movement (GNM), formed in exile during the New Jewel regime, would cease to operate as a separate political party after the national togetherness team was formed, he said.

Brizan, an educator who recently formed his new party, agreed that it would participate in the team.

Alexis disavowed a newspaper statement this week by Reynold Benjamin, Vice President of the GDM, that accused Blaize of abandoning Grenadians by remaining silent during the New Jewel regime.

The New Jewel survivors have not indicated that they will participate in elections.

CSO: 3298/710

WPA CHARGES GOVERNMENT HARASSMENT, DEBATES IDEOLOGY

Call To Struggle

Georgetown DAYCLEAN in English 18 Feb 84 p 1

[Excerpt] The WPA has always said that when a people have been ruled year in year out by a dictatorship, they have the right, when nothing else will work, to use force to remove the dictatorship. This right to the use of force applies whether the dictatorship is native or colonial.

Eusi Kwayana, the WPA's delegate to the 1982 Annual Conference of the PNP in Jamaica repeated this position. He was paying tribute to the party of Michael Manley as a sincerely democratic party which had made a sterling contribution to the idea of democratic government in Jamaica and the Caribbean. "History and commonsense," he said, "accept these two ways of winning power legitimately and righteously: the righteousness of an election that is free and fair and above suspicion and the righteousness of revolution as a last resort to set the captive free."

There was a time when the WPA, along with other Caribbean political groups was against "election politics." This was during the WPA's early life, from 1974 to 1978, before we became a political party. The pre-party WPA took this position because of what seemed to be the shortcomings of the "Westminster model" and its corruption by Caribbean governments.

From 1979, the time of the struggle against the referendum the WPA joined the struggle for free and fair voting. The party believed then, and believes now, that there can be no fair and free elections "under Burnham." It is for this very reason that it was clear that a struggle for free and fair elections must be waged. Whatever form it takes, once it is waged seriously, this struggle is also a struggle against the dictatorship of the Burnham regime.

Police Sweeps

Georgetown DAYCLEAN in English 18 Feb 84 p 1

[Text] On Monday, February 13, 1984, police swooped down on the Georgetown Centre of the WPA, the home of Rupert Roopnaraine, the home of Adaiye and Karen de Souza in search of arms and ammunition and electrical equipment. Two homes on the East Bank Demerara also received the same treatment. An attempt was made to search the home of Ms Jocelyn Dow, a well known party supporter. The Monday before the Berbice WPA Centre was searched. Nothing was found.

"It is well known," brother Kwayana said at a public meeting, "that if the opposition (WPA) was armed, there would be no PNC ruling the country."

WPA Response

Georgetown OPEN WORD in English 20 Feb 84 p 4

[Text] In a press release on the searches by police of the WPA Centre and homes of leading activists, the party pointed out that "repeated searches over the years of the homes, vehicles and persons of WPA members have failed to produce the arms and ammunition which so obsessively dominate the thinking of the Burnham regime."

The statement concluded that "against the background of the real suffering of the Guyanese people and of the ongoing destruction of their every resource, these abuses and violations of privacy are intended to place even more obstacles in the way of those fighting on the side of the sufferers."

Alleged 'Internal Debate'

Georgetown CATHOLIC STANDARD in English 12 Feb 84 p 1

[Text] The leadership of the Working People's Alliance has since the overthrow and death of Maurice Bishop and the subsequent invasion of Grenada been involved in an internal ideological debate at Central Council level concerning the reasons for the collapse of the Grenada revolution and the future role and identity of the WPA.

The Catholic Standard understands that a central factor in this debate is the type of socialism acceptable to the WPA--whether it should be Leninist or social democratic.

This debate is of importance to the WPA and the anti-dictatorial opposition in Guyana as a whole, as that party has since its birth been the only one in Guyana to contain both Leninist and social democratic elements.

The Grenada affair has enabled those in the party who question some of the tenets of Leninism to raise the issues of political pluralism, tolerance of internal dissent and the role of "bourgeois democratic principles," such as free pluralist elections, press freedom and open party debate, as crucial to an analysis of the reasons for the Grenada debacle and the future role of the WPA.

It is expected that the internal debate will result in a party statement which will indicate whether the WPA is moving firmly towards the social democratic path or retains its Leninist character.

Persons and parties outside of Guyana also may be awaiting with some interest the result of the debate, in view of the fact that the WPA has recently been granted limited membership (associate membership) of the Socialist International (the International Organisation of Social Democratic Parties).

Kwayana, Roopnaraine Reply

Georgetown CATHOLIC STANDARD in English 19 Feb 84 p 4

[Letter to the editor: "No Debate About Socialism: WPA"]

[Text] We publish below the response of the Working People's Alliance to our article in last week's issue headed 'WPA at Crossroads'.

Look out for an answer by our correspondent in next week's issue. Editor

Dear Fr Morrison: While we respect your duty to comment on matters of public interest, please permit us to assist the report entitled "WPA at Crossroads" (Standard, February 12, 1984) with some factual information:

1. The WPA is not debating Leninism as against social democracy, but notice has been given and accepted for debate on the type of party most suited to meet the needs of the struggle against the dictatorship. This debate is not to be restricted to our leading councils.

2. Some of the issues you raise, namely, political pluralism, tolerance of internal dissent, free pluralist elections, press freedom and open party debate, are issues on which the whole party has long been agreed in relation to Guyana. What your report calls "bourgeois democratic principles" perhaps include freedoms won by the Guyanese working people in the pre-independence period. Our attitude to these freedoms is set out in the discussion on the topic in Dr Clive Thomas's "Bread and Justice."

3. The WPA does not see itself as falling into a mould. Whatever it calls itself, now or in the future, the party has always decided its own policy for itself and developed theory on its own resources. It was not Leninists that taught the world to ban "pluralism" but a much older religious organisation. Moreover, it is not correct to judge all who today define themselves as Leninist by the standards which the Soviets say were applied by

Stalin; it would be as incorrect to judge all who today define themselves as Roman Catholic by methods used by the church for conversion centuries ago. On the whole, it is fair to say that labels can be misleading.

4. Your reference to the Socialist International is puzzling since our party is the only known affiliate in Guyana and has been constantly in touch with the SI since the Grenada crisis. The SI leadership, before arriving at a final decision on our affiliation with that body, had examined our party programme, constitution and other documents. If anyone in Guyana is aware that our affiliation is now to be reviewed by methods which do violence to ideas of natural justice, few persons will be more disappointed than our party and its supporters. Few will be more happy than Guyana's rulers who took the lead in trying to block our admission and since then have embarked on a campaign to discredit us with that body.

A final comment: The WPA believes that the immediate needs of Guyana are for democracy, survival and reconstruction. Our position is the same as in 1979: When the people are free, they will choose for themselves their path for the future. In the context of the terrible suffering of the Guyanese masses, it will be unfortunate if your report gives the impression that from October 1983, a period of five months, our party has preoccupied itself with the question of "the type of socialism" acceptable to itself.

Eusi Kwaya, Rupert Roopnaraine
Co-Chairpersons, WPA.

CSO: 3298/712

CATHOLIC STANDARD SAYS GOVERNMENT IMPOSES 'POLICE STATE'

Georgetown CATHOLIC STANDARD in English 19 Feb 84 p 2

[Article by Ron Pieters, S.J.]

[Text] Guyana today has all the marks of a police state. "Police harassment and misconduct and the use of the security forces for political control" have been cited as a major area of concern by the US State Department in its 1983 report on Guyana.

Complaints against the police by citizens are on the increase. Frequently persons taken into police custody are beaten.

In the Bartica murder trial, Justice Barnwell saw fit to remind the police that no police station is going to be a court.

In the aftermath of the alleged plot to assassinate the PNC leadership scores of Guyanese have been detained, questioned and had their homes searched, some more roughly than others.

While bandits continue to roam the country, police seem more preoccupied in harassing small traders, using their power to elicit bribes and protection money and obtain scarce items for themselves.

It has been made illegal to possess wheat flour and bread, split peas, and a host of other items imported on the parallel market.

As citizens have continued to use these essential consumer items, they find themselves in breach of the law and at the mercy of the police.

New laws recommended by V.P. Green against praedial larceny may render a housewife in possession of a few heads of lettuce or a bunch of bananas without a receipt open to police action.

The already beleaguered Guyanese have recently been further molested by the police with charges of jay-walking. Magistrate Luckhoo two weeks ago allowed the police the opportunity to alter a charge of jay-walking, since it is not illegal to do so in Guyana.

The plan to set up people's courts to try minor offences must cause non-government supporters to shudder. These road-side trials will possibly be even more open to corruption than the regular courts, which are subordinate to the paramount PNC.

Given the level of thuggery, political victimisation and patronage, citizens feel powerless to object to the ever tightening web of laws, by-laws and regulations which has been cast over the nation to keep the present regime in power.

CSO: 3298/712

TENNESSEE MAKES COURT APPEARANCE; TORTURE ALLEGED

Judge's Queries

Georgetown GUYANA CHRONICLE in English 15 Feb 84 p 3

[Text] Justice John Romao yesterday discharged the nisi order which he had granted to command the Commissioner of Police to produce the body of Paul Tennessee in Court.

The judge also granted \$75.00 costs against the Police and wondered why Tennessee was held for five days on a matter which resulted in a trivial charge--making a false declaration.

State Counsel Harold Broomes explained that Tennessee might have been held for investigations on a matter of a more serious nature but was not charged because the evidence was not forthcoming.

Mr C.M. Llewellyn John explained to the Court that Tennessee who was held up at Timehri last Thursday had brought into the country \$896 (US) which he declared.

But he fell into trouble with the Police after he was allowed by the Customs to go outside and borrow \$40 to pay as duty on articles that he had brought into the country. He was charged for not declaring that \$40, Counsel said.

Justice Romao after discharging the order asked the bearded Tennessee whether he was all right. Tennessee replied: "I am all right now...Now I am convinced that democracy still exists in the Court," he said.

Earlier Tennessee was placed on \$150 bail by Principal Magistrate Desmond Burch-Smith when he appeared on the charge of making a false declaration to a Customs Officer at the Timehri International Airport.

He pleaded not guilty.

The Police case is that on February 9, Tennessee was an incoming passenger from New York when he told the Customs Officer on duty at the airport that he only had \$896 (US)

The Police alleged that Tennessee also had \$40 (Guyana currency) in his possession which he did not declare.

The magistrate fixed March 6 for trial.

WPA on Torture

Georgetown OPEN WORD in English 13 Feb 84 p 4

[Text] Responding to reports of the torture while in police custody of Mr Paul Tennessee, recently returned from Canada, a WPA spokesperson said to OPEN WORD: "There are reports that persons arrested in connection with an offence committed in the USA and involving the Conservative Party have been tortured. Recently, the same report has been made in connection with Mr Tennessee.

"The present government has ruled Guyana for 19 years. It is not a rash newcomer. Even rash newcomers cannot be excused.

The WPA wishes to make it clear that it is against all forms of torture by any government or private person. It is against the torturing of human beings on whatever accusation or allegation. The most offensive excuse of all is to say a person was tortured, or not protected from torture because of ideas in the person's head."

CSO: 3298/711

BUDGET CONTINUES TO DRAW ATTENTION, SPARK CONTROVERSY

Blackman Analysis

Georgetown SUNDAY CHRONICLE in English 12 Feb 84 p 4

[Article by Carl Blackman]

[Text] Since budgets, like rivers, monumentous political declarations and even bastards, must be given some tag, I have been groping for a word or phrase to sum up Carl Greenidge's diagnosis of the ills besetting the Guyana economy and his prognosis of the intensive care necessary to bring it back to reasonably good health.

To the faint-hearted and those harbouring a national death wish, the phrase Doomsday Budget would easily spring to mind. True, the two-hour dissertation was as gloomy a forecast as I have ever heard, but what I'll remember most is that here at last the government was being brutally and completely frank with the people. If I must give the Budget a label I would give it a simple tag: An Honest Budget, a Plain-talk Budget.

I have not read the complete Budget but these numbing facts are scarred in my brain.

Our foreign debt is \$750 million US and it would take a good deal of our export earnings just to service it.

The public sector enterprises are, as a whole, money-losing mill-stones and while one or two show profits, the surpluses cannot make good the millions in losses by the other entities.

The parallel market is heading the country towards disaster and the relentless locust-like march of inflation could lead to the government losing control of the economy.

There will be a trade gap of hundreds of millions of dollars with no prospects of loans or massive exports to improve the situation.

It is really disturbing news, even for me who had been demanding that the government cut out the confusing statistics and tell it like it is. On Budget day I felt myself in a position similar to the husband who wants to know all of his wife's transgressions but halfway through her litany of licentious living, he wants to scream out Stop! Stop!

Now the facts are out and I commend the government and Greenidge for their bluntness. Now few would wonder not why we don't import flour but how we manage to bring in a little milk.

Although the Budget was obviously not the work of one man but a think tank of whiz kids with Apple 11 computers and tomes of Adam Smith, Galbraith and probably a volume or two of Stockman, there are analyses and criticisms that give hint that while there were collective thoughts and collective responsibility, the Budget was a Greenidge Budget.

Most significant was the noticeable absence of the ideological rhetoric of the holier-than-thou leftists who would have attempted to cite the shortfalls in the economy, as a triumph for socialism.

Another clear impression gained is that although the Budget hinted that there were no bright prospects of an early deal with the International Monetary Fund, the devaluation last month, the plans to revamp the rice industry and streamline corporations all seem as setting the groundwork for a new approach to the IMF.

I do not rate too highly our chances of melting the stony hearts of the purse keepers at the IMF but the move to streamline corporations, particularly the Guyana Rice Board gives me hope that this country can regain sound economic health in our time.

Unfortunately there is the sickening aroma of dirty politics in rice and whatever concessions are made to farmers would be greeted by howls for even more concessions. It grieves me to see how mismanagement, dishonesty, greed, race and politics have brought this potentially great industry to such a sad state of affairs. I am convinced that the rice farmers should have more say in the industry but in the short term there must be government monitoring of exports and the quality shipped abroad.

The comments on the Budget have been predictable. The critics lament the fact that a country as rich in resources as Guyana should find itself in such dire straits. They lay the blame on mismanagement and corruption. They blame the government and piously prattle that only the government, by changing its policies can remedy the situation.

I buy some of the arguments but not all, but I won't waste your time trying to apportion blame. It is even too late in the day (and in some ways irrelevant) to talk about a political consensus to mobilise and motivate the people. If they (people) want any motivation let them just ponder the state of our key industries--sugar, rice and bauxite. If the bauxite industry sinks deeper in the slough of despond, hundreds of jobs

will be lost; if King Sugar really dies, there would be 250,000 weeping relatives at the graveside and all 800,000 Guyanese would be left to mourn the calamity. And if rice dies from shock and greed...but let me spare you of further despondency. The bold fact is that it is more than an act of patriotism to help save the industries. Our survival depends on their revival.

At this stage increased production and productivity are not empty party slogans but the only way out. This is the time when strikes must really be a course of last resort. Even wage demands must be guided by the adage of eating little and living longer rather than getting your just desserts today and no dessert tomorrow. It is difficult to say this after all the belt-tightening with survival becoming more difficult year after year.

But other countries--Germany, Japan, England--have done it before and climbed back to prosperity.

We must not lose hope. Even the underground economy can be reduced to manageable proportions. Already there are signs that the avalanche of flour pouring over our borders has slowed down over the past two months. There are also signs that the Gold Board is getting more gold though not half as much as the miners are dredging up.

But every mickle makes a muckle, every dollar saved or earned brings the economic revival that much closer. Today we see no light at the end of the tunnel--not even the tunnel. But there is no doubt that if we stop the hand-wringing and the self-pity and apply ourselves to the task we can make it sooner than we think.

We strongly subscribe to the view that a nation with resources and resourcefulness can never be bankrupt. Other nations have proved that.

Now is our turn.

PPP Assault in Parliament

Georgetown MIRROR in English 12 Feb 84 p 1

[Text] After castigating the Burnham government for failure to produce a national economic development plan, although being in office for two decades, the Opposition PPP 'Shadow' Finance Minister Narbada Persaud described the 1984 State Budget as "phoney as the government itself."

Mr Persaud, an economist trained in Socialist Germany, led the Opposition's assault on the \$1.5 Billion Budget which was laid in Parliament on January 30 by the latest PNC technocratic Minister, Carl Greenidge.

In his profound analysis of the failure of the economy to perform and a statistics-backed exposure of the harsh implications of budgetary proposals, Mr Persaud laid bare the government's inability and impotence to rescue the nation from further decline and predicted that the hard-pressed Guyanese people will sink even deeper into the mire of despondency and despair.

The PNC's overall strategies and so-called survival plan are impractical and doomed to failure, said the PPP finance expert as he dubbed the Budget Statement as the worst ever presented to Parliament since internal self-government over 20 years ago.

Not even the government Benches could have called into question the competence of the PPP spokesman to make those judgements when he spelt out the unquestionable slump in economic performance during 1983, as follows:

- 1) Gross Domestic Product (GDP) fell by 10.6 percent as
 - (a) sugar production fell short of target by 36,000 tons and its export earnings by \$72 million;
 - (b) rice production fell short of target and its export earnings by \$53 million;
 - (c) bauxite-alumina production fell short by 185,000 tons and its export earnings by \$62 million;
 - (d) mining and quarrying fell short of output by 38 percent while the manufacturing sector performed disappointingly; and
 - (d) other merchandise fell short of their export targets by \$52 million resulting on the whole in the loss of \$239 million in foreign exchange.
- 2) The Public Sector, administered by government generated a scandalous deficit of \$727 million.
- 3) Borrowing from the banking system reached the intolerabel level of \$491 million.
- 4) Deficit in the current account of the budget amounted to \$424 million.
- 5) Public debt and compensation payments were \$521 million.
- 6) Commercial arrears for imported goods and services were \$250 million.
- 7) Overdraft from the Consolidated Fund reached \$2.8 billion!

The economic woes of last year would be compounded by further economic and financial blues in 1984. The regime would have to fork out \$406 million for debt and compensation payments, interest charges alone being \$278 million. This would mean that 42 percent of all monies earned from the

export of goods and services would go to finance the debts which would work out to 73 cents out of every dollar collected in revenues at home!

Mr Persaud who currently manages the printing house, New Guyana Company, and is also PPP Finance Secretary and Chairman of the Parliamentary Public Accounts Committee, gave the reasons why Guyana under the Burnham regime has run into problems to service debts.

The regime, he said, has pursued wrong economic policies, borrowed excessively and on unfavourable terms, while Guyana has failed to retain export markets due to shortfalls in rice, sugar and bauxite production.

With the devaluation of the Guyana dollar by 25 percent, more burdens have fallen on the backs of the people. But a bleak period is still ahead with further withdrawal of subsidies, impositions on parents to make deposits for school books, increased prices for drugs and services at the government hospitals coupled with pending retrenchment of Guysuco, Guymine, Guyana Rice Board and also at some government ministries.

While solutions to the teeming problems cannot be found in putting more pressures on the people, stated Mr Persaud, these solutions can neither be found in new deals with the IMF which is the "big stick" of capitalism. The IMF would exact further conditions such as wage freeze, increased taxes, cuts in state budget and state allocations for social needs, weaken the role of the public sector within the economy and demand favourable conditions for foreign capital.

The Opposition Parliamentarian said that as far as Guyana is concerned, to overcome the financial crisis will depend to a large extent on the mobilisation of domestic resources, the coordination of the nation's anti-imperialist interests and the forging of united positions.

"An important role in this must be played by the expansion of co-operation with the Soviet Union and the other socialist countries which actively support the struggle of the developing world for restructuring international economic relations, for banishing diktat and the exploitation..."

Dealing with the parallel market, the speaker noted that the government was doing nothing to eradicate the causes which have led to the alarming spread of this "cancer" in the Guyanese society. Instead, it would place huckster under a licence system.

Mr Persaud declared that increased production, hence increased exports and foreign exchange earnings, would come about if the government democratises the country to involve all sections of the people.

"I wish, once again, to remind the government that so long as we continue to have minority rule in Guyana, so long there will be no increased production. This has been our warning over the last seven years and we have been proven correct. Correct minority rule and the country will once again flourish! the PPP representative thundered to the government benches.

He underlined this by saying that the country is in a perilous state as a result of government's discrimination and rigged elections, mismanagement, wrong priorities, incorrect planning strategies and corruption.

Additionally, to cushion the effects of the crisis and evaluation on the masses, government should without delay increase wages and salaries along with compensatory support in the form of a non-taxable cost-of-living allowance. At the same time government should slash spendings on the army, national service and foreign embassies and missions and redirect the funds thus saved to other critical areas.

Mr Persaud drove home the stark reality of the Guyanese existence when he told Parliament that the working man has to pay \$10 for a pint of cooking oil; \$20 for a tube of colgate; \$5 for a cake of washing soap; \$80 for a tin of milk; \$16 for a one-pound tub of margarine; \$5 for a roll of toilet paper; \$9 for a lb of chicken and \$9.50 for a pound of beef.

"Considering that 26 percent of public sector employees earn less than \$300 per month and 66 percent of them earn less than \$500 per month...how do they (government) expect the workers to live?"

The fact that the government does not have a comprehensive national economic development plan contributes to the crisis. This has resulted in many failures such as the shoe factory and the leather tannery, the bicycle plant, the glass factory, the textile mill, etc.

As such the 1984 Budget Statement which boasts about a "recovery plan" has no base, no foundation and is as phoney as the government itself. The "survival plan" and PNC "strategies" are only empty rhetoric, building only false-optimism in our people.

Concluding, Mr Persaud emphasised the need for the restoration of democratic government in Guyana so that unitedly the people can work for a better Guyana.

Jagan Assessment

Georgetown MIRROR in English 12 Feb 84 p 1

[Text] "Slowly but surely the road is being prepared for a course which the imperialist masters, which brought the PNC to power, want for this country," concluded Dr Cheddi Jagan during his 45 minute address to the National Assembly on the 1984 budget.

In his analysis the leader of the People's Progressive Party accused the 20-year-old uninterrupted rule of President Forbes Burnham of buckling under pressures from the Reagan Administration and setting the stage of free enterprise, distorted capitalism. To buttress his point he quoted sections of the Budget speech indicating more reliance on market mechanisms, dismantling of sections of the state sector to allow privatisation and encouraging expatriate models of management.

He said the basically technocratic/monetarist approach of Finance and Planning Minister, C. Greenidge is: "little different from that of Margaret Thatcher and Ronald Reagan who are busy dismantling the 'welfare state.'"

The leader of the Opposition rejected this approach and noted that since 1976 the chronic crisis has deepened. In 1977 the debt service ratio equalled only 10 percent of export earnings while today it is 42%. Additionally, total debt (foreign and local) amounts to 92 percent of current revenue. "This is an impossible situation," declared Dr Jagan.

In 1977 Guyana joined Comecon (the socialist trading community) and in 1978, the USSR offered Guyana a "lucrative deal." However, that same period saw the PNC regime turning to the International Monetary Fund and opening the doors to foreign capital with a New Investment Code. Dr Jagan pointed out that the socialist countries cannot supply the foreign dollars which the PNC is "sharking" for, but can provide other essential assistance. So, the PNC turned to the West.

The Guyana government, it was disclosed, again recently went to the socialist countries. Dr Jagan, (who also recently toured several socialist countries) said outside help is not all. He said Guyana has a high foreign investment ratio and asked, "Did that help the economy?" The answer to the on-going crisis also lies in "democracy, an end to discrimination, extravagance, corruption...and a redistribution of income in favour of the people, raising of morale, etc so that the people could get down to producing."

Production, said the former Premier, in the major sectors of rice, bauxite and sugar, is less today than it was in 1964, the last year of his government. This is the result of the PNC's wrong policies. He established that the people's everyday life has to do with production so you cannot "penalise the people" and expect them to produce. Furthermore, after 20 years the PNC has failed to produce a national development plan resulting in distortions. Factories are set up at great cost without planning: the cassava mill is without cotton, the glass factory is not working, etc. And the "cosmetic" changes in the GRB are being done without considering any role for the RPA.

Dr Jagan referred to demands of the Trades Union Congress, for a fair distribution of the nation's wealth by increasing the daily wages for workers. He also referred to a recent report of the TUC calling for reduced spendings on the military, National Service (which this year will take up \$33 million) and foreign embassies and divert the resources thus saved to the productive sectors. He said, however, that the ruling party which speaks of democracy does not heed the voice of the working class; and the TUC which although a "creature of the PNC has long debunked PNC propaganda that Guyana's ills stem mainly from external factors. Dr Jagan called for a special debate in the National Assembly to get at the roots of the present debilitating crisis.

Currently the PNC is asking for co-operation from the PPP and the workers but, said the PPP leader "this will come not only by statements but by doing what is in the interest of the people." He went on to warn that "a good riot" is the only thing to shake them up. "They are preparing the ground for it. They are heading for it."

No "Burnham magic" will save the situation; or finding new scapegoats such as the parallel market. What is needed is a revolutionary approach. The imperialists have been plundering the countries of the Third World and would not stop by pleadings and bootlicking. The class struggle must be fought. The IMF (which the PNC has not rejected but with which it is bargaining for better terms) does not solve the problems of Third World countries. The Opposition leader in the House said: "The time has come for boldness and no vacillation."

He made this call in the light of the talk by the PNC of "revolution" and "building of socialism" along with pressures from the United States and elsewhere to restrict and dismantle the state sector. At the same time, (and as was mentioned by Prime Minister Reid, in winding up the budget debate) the government is cowed by fear that Guyana can become another Chile for taking forthright positions against imperialism.

Dr Jagan explained the dilemma facing the PNC. It vacillates, but not willing to succumb fully to imperialist pressures for fear of losing control; for the same self-interested class reasons the PNC does not want to move genuinely towards a path of socialist orientation.

In the final analysis, it is the class struggle which will determine the outcome of Guyana's future. "Herein lies the future of Guyana--sharpening class struggle--and the PPP will be there to lead this struggle to see a new dawn for Guyana," he assured the House.

CSO: 3298/711

REPORTAGE ON PROPOSED BUDGET, OPPOSITION CRITICISM

Greenidge Presentation

Georgetown GUYANA CHRONICLE in English 31 Jan 84 pp 1, 4-5

[Article by Leon Walcott]

[Text] Finance and Economic Planning Minister Carl Greenidge yesterday presented a \$1,5 billion budget in the National Assembly. This year's budget is two hundred million dollars more than last year's.

In his 105-minute budget speech, the Minister explained that this year's budget was concerned primarily with economic survival and with improving the quality of life in Guyana.

According to the budget statement, export earnings from goods and services are expected to use slightly more than one billion dollars, while imports are expected to cost 1,5 billion dollars.

This rise in import costs reflects a 35 percent increase over 1983 levels, a factor which will result in a negative payment balance on goods and services of almost half-a-billion dollars.

The main contributors to Guyana's export earnings in 1984 are still expected to be bauxite, sugar and rice, although plans to diversify the country's economy have been implemented.

About 70 percent of the country's foreign earnings are expected to come from these three products, Cde Greenidge said.

Revenue

The Minister, who was making his first budget presentation since assuming responsibility for financial matters about three months ago, told the packed House that Central Government current revenue is projected at \$554 million, a two percent decline from the 1983 figure. And current expenditure has been estimated at \$789 million.

Since current expenditure has been estimated at \$789 million for the year, the current deficit will be \$235 million. In addition, Central Government has debt funding and repayment requirements totalling \$128 million.

On the capital side, \$353 million have been earmarked for spending. However, this sum does not include money transfers to the public corporations which amount to \$384 million.

According to Cde Greenidge the budget team had to do some "meticulous pruning" to ensure that this level of capital expenditure has some relevance to Guyana's economic strategy. Government. The Minister explained that the feature is anticipated because the cash surpluses of a few corporations will almost be offset by the cash losses of others.

Economy

It is anticipated that the Guyana Sugar Corporation is expected to lose \$141 million and Guymine \$127 million, the Minister pointed out.

The Minister reported that the economy performed poorly in 1983 and noted that the Gross Domestic Product (total value of goods and services in the country) fell by 10,6 percent from the 1982 level.

Mining and quarrying outputs declined by 38 percent and sugar production experienced a shortfall of some 36,000 tonnes. While he gave no figures for rice production in 1983, the Minister said: "the 1983 output fell substantially below the 1983 target."

However, beef production rose by six percent over the 1982 level and milk output was 23 percent more than the previous year.

Export earnings were below the budgeted amount and although there was a contraction on the value of imports over the year, the deficit on Current Accounts did not fall to the expected level of \$339 million.

This resulted in external payments arrears increasing significantly.

During the year also the public sector corporations experienced a deficit of over \$727 million. This deficit was financed mainly from \$491 million in borrowings from the banking system.

The Minister called for "good fiscal husbandry" to prevent this type of large-scale borrowing from recurring in 1984.

He said the shortfall in financial inflows was caused by the blocking of the MMA contract loan application to the Inter-American Development Bank by the US. In addition, there was a \$16 million shortfall in funds from the World Bank, the Minister said. (GNA)

Impact of Parallel Market

Georgetown GUYANA CHRONICLE in English 31 Jan 84 pp 1, 5

[Text] The parallel market persistently undermines the capacity of Guyana's economy to survive by diverting scarce funds from health and other services. So said Finance and Economic Planning Minister Carl Greenidge, as he presented his maiden budget in the National Assembly yesterday afternoon.

By doing this, it also impedes the development of new and more appropriate consumption habits and the viability of local industries, the Minister warned.

Cde Greenidge, who spent one and three quarter hours explaining the Government's economic programme for 1984 to a packed National Assembly said that the chronic shortage of foreign exchange has caused the parallel market which is operated mainly by hucksters to compete with the official economy.

He described the parallel market as one of the most destructive trends in our economic affairs.

The hucksters' purpose is to use foreign exchange to acquire scarce goods and services. And since few of the items bought by the hucksters command a place at the top of the central bank's list of national priorities, the parallel market actually diverts funds from priority areas such as inputs for the productive industry.

The Minister defined the parallel market as the set of economic activities which takes place outside the formal, legal and accounting framework of the economy.

He said because of the nature of its operations, the parallel market will always offer more local currency for available foreign exchange. This results in spiralling inflation, he contended.

"The unfettered pursuit of profit by the operations of the parallel market does nothing to aid and abet the recovery of the economy," said Cde Greenidge.

The hucksters have also made a mockery of central government's attempts to control the prices of certain commodities by buying them up in large quantities and retailing them at higher prices in neighbouring territories.

The foreign exchange obtained from such immoral transactions is often used to import goods which are sold locally at highly inflated prices, he pointed out.

The activities of the parallel market have resulted in:

- Creating artificial shortages, with a decrease in government's efforts to provide Guyanese with commodities at low prices,
- The producers of the commodity not benefiting from the higher prices,
- The foreign exchange from exporting the commodity not going to either the producer or the government,
- A limiting of the inputs required by the country's productive sectors whose performance need to be sustained and improved for the national economy to recover, and
- The government receiving no taxes or other revenue from the activity while the huckster reaps the benefits of all government-provided services.

The minister rejected the view that the huckster provides a genuine service and the state only prosecutes him because he makes available commodities that it is unwilling to secure. (GNA)

Infusion for Bauxite, Sugar

Georgetown GUYANA CHRONICLE in English 1 Feb 84 p 1

[Article by Leon Walcott]

[Text] The Guyana Government plans to lend the bauxite and sugar industries \$330 million this year.

Making this disclosure during the 1984 budget presentation in the National Assembly Monday Economic Planning and Finance Minister Carl Greenidge said the bauxite industry will receive \$186 million and the sugar industry \$144 million.

He assured the Assembly that the Government recognises the importance of the two sectors of the economy and the role they continue to play in earning foreign exchange.

Last year sugar and bauxite accounted for 70 percent of the country's foreign earnings which was estimated at \$580 million.

In an effort to get the bauxite industry back to a viable position, the government also plans to relieve the industry of some of the social costs it has borne since nationalisation in 1971.

He said that the loan will be used to relieve the Guyana Mining Enterprise (GUYMINE) of the interest rate burden on its 1983 overdraft with the Guyana National Co-operative Bank.

Rice Board Reorganization

Georgetown GUYANA CHRONICLE in English 1 Feb 84 pp 1, 4

[Text] The operations of the Guyana Rice Board (GRB) will be restructured during the year in an effort to improve the milling and marketing activities of the local rice industry.

This change in the operational structure of the GRB is part of the Government's plans to restructure the operations of public corporations to make them more efficient earners of revenue, said Finance and Economic Planning Minister Carl Greenidge Monday.

The Minister was presenting the 1984 Estimates of Revenue and Expenditure to the National Assembly. Total expenditure was estimated at \$1,5 billion while revenue was calculated at about one billion dollars. No measures to increase personal income taxes were included in the budget.

Cde Greenidge told members of the Assembly that this year's budget has been prepared against the background of poor local and international economic conditions.

In addition to separating the milling and marketing functions of the GRB, the Government will set up an autonomous grading Authority to maintain technical standards. The Authority will be responsible for certifying paddy and rice into various grades.

Explaining the change, the Minister said that the Guyana Rice Board will no longer be responsible for drying, milling and storing rice, and will now be called the Guyana Rice Export Board (GREB) in keeping with its specialised export function.

The milling, drying and storage activities will be the responsibilities of a new institution to be called the Guyana Rice Milling Corporation (GRMC).

Cde Greenidge did not give details about the organisational structure of the two new agencies. However, during the past year, the GRB has passed on some of its milling activities to private rice millers, some of whom have been allowed to retail the commodity.

The functions of the GREB include negotiating and fulfilling external contracts, monitoring and guiding the development of the local rice industry, advising Central Government on marketing opportunities, certifying local rice exporters and certifying the export quality of rice.

The GREB will also be responsible for overseeing the preparation and storage of rice for export, the Minister pointed out. He added that the new entity will finance its operations from service fees and other charges.

On the other hand, the Guyana Rice Milling Corporation (GRMC) will be the only agency responsible for selling rice on the domestic market. It will also provide rice for the GREB.

The GRMC will be authorised to appoint private millers as sole distributors of rice to particular rural areas.

The grading Authority will be responsible for grading and certifying all rice and paddy arriving at the mills, collecting data on the local rice industry, training and certifying graders and issuing licences to rice mills.

The reorganisation plan will include the establishment of an Agricultural Research Institute to investigate new varieties of rice.

Cde Greenidge also explained that a new mechanism for the calculation of rice prices will be worked out and the Ministry of Agriculture will be responsible for its annual review.

Such reviews, he said, will take place each year before the Second rice crop and will be announced before the end of August of the same year.

The new formula, he assured the Assembly, will ensure adequate compensation for small rice farmers for those costs of production over which they have no control.

In the past, small farmers have complained that they were forced to pay high rents for machinery and equipment, a factor which increases their production costs.

However, the Minister stressed that farmers will have to improve their efficiency so that their overall revenue would be greater.

He explained that the price of rice will be determined by adding to the price of paddy, an adequate margin for milling and other processing costs.--
(GNA)

Greenidge 'Survival Plan'

Georgetown GUYANA CHRONICLE in English 1 Feb 84 p 4

[Text] The national agricultural thrust, the problem of allocating scarce resources, institutional and structural changes and the country's debt problem have been identified as issues critical to Guyana's economic strategy.

Minister of Finance and Economic Planning Carl Greenidge, who noted these factors, said that the main characteristics of Guyana's economic strategy remain the same as was stated last year.

The Minister outlined some of the strategies which will be adopted during 1984 to bring about some form of economic recovery as he presented this year's budget in the National Assembly.

He said the need to increase agricultural production is important since a nation's ability to survive depends on its ability to feed itself from its own resources.

The Minister acknowledged the danger of over dependence on the sugar, bauxite and rice industries for the major portion of this country's foreign exchange earnings. He stressed the need for increased production of other crops to satisfy domestic requirements and also for exports.

Food, clothing, housing, energy, non-food industries, art and fishing, the utilisation of grasses and herbs and the use of both domesticated, cultured and wild resources are all part of the national economic strategy.

The Minister said that ten immediate tasks confront the nation in its 1984 economic strategy. These are:

- Making the public sector more efficient in order to restore the financial viability of public sector corporations;
- Managing the reallocation of resources both human and financial, into production, particularly for export, through price and administrative initiatives;
- Organising planning implementation and monitoring mechanisms to achieve maximum participation in the agricultural thrust;
- Maintaining social services, particularly those related to health and education;
- Finding ways to reactivate already installed but currently under utilised productive capacity;
- Redirecting patterns of trade and other international relations to facilitate achievement of objectives;
- Ensuring a synthesis of effort among public sector, private sector and co-operative entities;
- Implementing the capital programme with maximum efficiency;
- Pursuing the rescheduling of external debt and the garnering of external resources to support the overall 1984 programme and;
- Working closely with trade unions and workers to ensure maximum industrial peace and creative effort in the stringent economic circumstances which are expected to characterise the year 1984.

In his presentation, Cde Greenidge stressed the principle of self-reliance and its importance to Guyana. He pointed out that the schools must also play their part in the drive to achieve self-reliance.

Schools, he noted, will be encouraged to contribute to the financing of their own operational costs and estimated that over eight million dollars can be raised through productive ventures.

Parent-Teachers' Associations and service clubs will be encouraged to help finance school activities.

He advised that efforts be made to reduce the wastage and abuse of text books and said that primary school children will pay a \$10 deposit for text books they receive from the school. First and Second Forms of secondary schools--\$20, Third and Fourth Forms--\$25, Fifth Forms--\$35, and Sixth Forms--\$45. "The return of the textbooks in good condition will lead to refund of the deposit," the Minister said.

The Minister pointed out that financial stringencies have made it necessary to consider increasing the Out-Patient charges for drugs and the rates for private rooms as well as to charge fees for physiotherapy services. (GNA)

Agriculture, Other Allocations

Georgetown GUYANA CHRONICLE in English 2 Feb 84 p 1

[Article: "Government Allocates \$109 Million for Agriculture, \$22.2 Million for Education, \$20 Million for Forestry; Health Gets \$14.8 Million"]

[Text] The Guyana Government allocated more than \$109 million for agricultural development this year, compared to \$68 million spent last year. This represents a major share of the 1984 capital expenditure of \$737 million.

In addition, the Agriculture Ministry's current expenditure has been increased from an estimated five million dollars last year to more than ten million this year.

These details are contained in the 1984 Estimates of Current and Capital Expenditure.

Last year, \$348 million were set aside for capital projects.

According to the Estimates, the Ministry of Education will receive \$22,2 million for capital projects this year, compared to \$21,5 million last year. This is added to the \$98 million earmarked for the country's schools during the year. Other areas to benefit significantly from the country's capital budget are Forestry--\$20 million and Health \$14,8 million.

During the year, the country's health services will benefit from an additional \$31,1 million to rehabilitate and maintain hospitals.

Central Government's current revenue will be obtained mainly from inland revenue (\$265,5 million) and Customs and Excise (\$202.9 million). On the other hand, its capital revenue will be made up mainly from internal and external loans totalling \$635 million.--(GNA)

Debt Handling

Georgetown GUYANA CHRONICLE in English 2 Feb 84 p 8

[Text] Guyana's external public debt has been estimated at about \$700 million (US) or \$2,65 billion (B) at the end of September 1983, but there is no question of the country becoming bankrupt.

This was stated by Finance and Economic Planning Minister Carl Greenidge during his presentation of the 1984 estimates of revenue and expenditure to the National Assembly.

According to the Minister, one-third of this amount is owed to bilateral agencies and 40 percent to multilateral agencies. Stock loans and credits amounted to 18 percent.

In addition, payments for companies nationalised by the government accounted for 7,5 percent of the total.

The Minister, whose \$1,5 billion budget contained no personal taxation, explained that servicing of this debt in 1984 would require \$120 million (US) or \$450 million (G) which is equivalent to 42 percent of projected export receipts.

He also revealed that a Debt Recording and Management Unit will be set up in the Ministry of Finance, a decision prompted by the need to have up-to-date information on the status of this country's debts.

The Minister also discounted the view that Guyana is on the verge of bankruptcy because of its large external debt.

He quoted President of the Inter-American Development Bank (IDB) Antonio Ortiz Mena who said: "...the legal concept of commercial bankruptcy resulting from economic and financial insolvency of an enterprise, is not pertinent to a nation state."

Ortiz added that a country's external debt cannot exceed the value of its endowment of human and natural resources.

However, the Minister admitted that Guyana's high foreign debt is an "unsustainable situation," and suggested that rescheduling may be one of the methods to be employed to solve the problems.

The Finance and Economic Planning Minister explained that the cash problem faced by Guyana has led to a build-up in the arrears of medium and long-term debt payments to an estimated \$32 million (US) or \$120 million (G) by the end of September last year.

Because of this, commercial arrears relating to payments for imported goods and services amounted to \$250 million (US) or (937,5 (G) million.-- (GNA)

Wage-Price Discrepancy

Georgetown DAYCLEAN in English 4 Feb 84 pp 1, 2

[Excerpts] Hats off to the rulers! They were successful with the economy last year, that is, they got just what they worked for:

The drop in the Gross National Product was a record 10.6 percent below 1982. They planned no overall balance of payments deficit for 1983. But they worked for one and got it--a big one: over \$339m. The current debt on overseas credits for Guyanese private and state business reached \$957m. This also is the kind of "growth" to be expected from the rulers' policy.

The two-year-old ban on essential foods, not sardines and liquor, caused the side market to get even bigger. This very side market which the new Minister of Finance Greenidge says is a curse on the economy is also the work of the rulers.

This new broom sweeping all the grime into the corners used to be Burnham's Economic Adviser, before he became Burnham's Finance Minister.

In the new budget for 1984, they admitted that besides sugar and gasoline, a whole range of prices are going to rise.

What about wages? One answer was, nothing doing! Greenidge said, "It would be inappropriate to compensate employees for price rises" and gave a reason. He said wage increases would eat up the profits which are to come because of devaluation, since 1 exported sugar and \$1US exported bauxite and rice will bring in more \$G than before.

Trade unions and farmers' organisations, look out! Burnham's new Finance Magic Man is saying that it is not the workers and farmers who create the profit. It is the "planners" who fix the rate of exchange that create the profit.

Then they gave another reason. They say that the crushing price increases as a result of devaluation "will not affect all wage earners in the same way." So each case will be considered by itself. This can mean that if you have a high standard of living then you stand a better chance. For this is the year when managers are to be given new bribes; this is how they hope to get the remaining few to stay on. For the unions, this may be the chance to return to the bargaining table. Nowadays, however, the bargaining table may have a piece of big iron on it.

As expected, the budget has given no new powers to trade unions or to farmers' organisations. Farmers know by now that it is not by shouting, "push agriculture on every parapet" that they will benefit. The same transport system that is torturing consumers on a daily basis is piling up losses in agriculture from spoilage, lack of movement and pests.

Finally, the new financial wizard tells the people how to cope with his ton of bricks. Stretch your wages: eat more local food (like sugar). Because he is a new broom, he does not say, "tighten your belts," he says drop something from the food basket. The way prices stand, most people will have to drop the basket altogether.

Some Deconomy Lessons

What lessons can Guyanese read in the budget? 1) Burnham now has his young Turks running his deconomy. He has promised them a free hand. They will get it if they deliver the cash and don't make the Leader feel threatened. 2) Hoyte was removed from the Planning Ministry after the Working Paper of May 25, 1982 and after the PNC's General Council said, "no ideological somersault." The new team is carrying out the same Working Paper in bauxite, sugar and rice. The Working Paper which promised less state business, a foreign partner for Guymine, the break-up of GRB and the sale of canefields to sugar workers to turn them into cane farmers was discussed with the World Bank. 3) The PNC is pushing in two opposite directions at the same time for propaganda and image purposes. They appear very confused. 4) They are trying to get the best of both worlds, and they are getting it: cake and bake. Guyanese are getting the worst of both: We get all the pressures of PNC/IMF policies (devaluation, retrenchment, no-subsidy, indirect taxes, shotgun savings from wages) without any foreign exchange aid from IMF to ease the food and raw materials starvation.

PPP Analysis

Georgetown MIRROR in English 5 Feb 84 pp 1, 4

[Text] General debate on the 1984 Budget begins tomorrow with PPP Finance spokesman Narbada Persaus leading off for the Party. "Mirror" understands that as presented to Parliament, and despite the economic constraints prevailing in the country, the 1984 Budget is unacceptable to the PPP because of its entrenched anti-working class character. This is a trend in the Budgets introduced by the PNC over the years it has been in office. As the situation in the country deteriorates, the government steadily puts burdens onto the backs of the workers.

When compared to the budget of 1983, this one for 1984 is \$315.1 million more, with its expenditures (both current and capital), put at \$1,645.1 million (\$1.6 billion). Revenue is estimated at \$1,285,182,000 (\$1.2 billion) with the deficit estimated at \$368.0 million. The deficit in the 1983 Budget which was estimated at \$384.0 million eventually climbed to \$439.4 million and is one of the reasons why Finance Minister Greenidge said that there was run-away expenditure in the past year.

A study of the estimates for 1983 and 1984 reveals that expenditure did run away, and the 1983 realities bear little resemblance to what was planned for that year. This is the main reason why PNC Budgets have been dubbed "guesstimates" over the years by opposition politicians in and out of the Parliament.

An analysis of both the presented 1984 Budget and the revised 1983 Budget compares as follows with the sectors shown in percentages of the total Budget expenditures:

Sector	Estimates 1984	Revised 1983	Estimates 1983
Debt payments	24.9	38.9	35.0
Agriculture	6.8	6.1	11.3
Education	6.4	8.4	7.0
Health	4.5	4.6	4.3
Housing	0.1	?	0.4
Industry	?	0.3	0.3
Co-operatives	0.03	0.03	0.02
Ministry of National Dev	0.3	0.5	0.4
G.D.F. and Police	9.2	8.0	10.8

The picture below reveals a massive sum paid as debt and compensation payments much more than what was estimated, and despite the fact that government undertook to have some debts rescheduled in 1983. From an estimated \$456 million, debt payments shot up to \$521 million, most of which are localised. For 1984 the local quantum is \$261.4 million in principal and interest charges with \$145.4 million for overseas, totting up to \$406.9 million. In 1983, the local quantum was \$395 million, while the overseas quantum was \$125.9 million totting up to a record \$521.1 million when only \$456 million was to be paid in debts. (Totals may not tally because of rounding).

Heavy cuts have been made in some areas where big increases should have been made. These pertain to the traditional cinderella sectors like Housing, Co-operatives, Industrialisation and Social Security. As in 1983, there is no sign of the sums earmarked for Social Security (pensions and social assistance). The paucity of vital information in the Estimates continues in 1984, and was the main reason why the PPP walked out of the House in 1983 during consideration of the Estimates of Expenditure and Revenue. Without proper figures, debate is impossible in any meaningful sense. Government has a habit of concealing vital statistics.

Housing which was merged with Works last year, is now separated again, and stands at a shocking \$2.7 million! As a state initiative this is considered totally unacceptable, and clearly means that the chronic housing crisis will get worse than it is at the moment. Real estate outfits (including state sector banks) will cash in on this situation to the detriment of workers who cannot afford (on their meagre wages) to buy their own homes. Wages are not even enough to buy food to keep skin and bones together. The 1984 Budget gives no indication that wages will be increased. Instead a wide range of price and tax increases are evident.

Government is falling down on the supply or creation of jobs. While a little accent is being put on agriculture, manufacturing has been virtually abandoned. The Ministry of Manufacturing has been scrapped and no allocations made as a consequence. For 1982, only \$1.6 million was spent, while out of the \$4.8 million allocated in 1983, only \$4.4 million was spent. This sum is a total farce where providing jobs is concerned. It means that many projects will stay in the deep freeze for another year.

Co-operatives which are also supposed to be a vital sector have been further downgraded still. Only \$0.5 million is allocated in 1984. The sum of \$0.4 million was spent in 1983 and \$1.0 million was spent in 1982. As a result, co-ops will suffer more. These are potential job-creation areas and should have got much more money for development purposes.

As usual, there is great emphasis on State Security. The GDF and Police have been allocated \$153.2 million, which is \$3.7 million more than spent in 1983. The GDF (which includes the Militia and National Service) gets \$110.9 million, while the Police gets \$42.3 million. In 1983, the GDF spent \$108.2 million, while the Police spent \$41.3 million. The PPP's suggestions for expanding and democratising the Militia, scaling down the National Service and expanding the Community Police Groups (Vigilantes) have evidently not been taken into account. These PPP suggestions would have helped reduce the costs of state security while increasing the financial and other benefits to the professional personnel in the Army and Police. The National Service is to get a whopping \$33 million in 1984!

With its thrust on agriculture, the government has earmarked \$112.5 million to this sector in 1984 compared to \$82.4 million expended in 1983. It had actually planned to spend \$146.9 million in 1983 and had announced its intention with much fanfare. A similar noise is being made in 1984. Farmers are looking forward to substantial help while consumers are expecting help in the form of subsidies to farm produce which fetches fantastic prices in the markets.

The controversial Ministry of National Development is again in the limelight and has been earmarked \$5.9 million in 1984, compared to \$7.6 million spent on it in 1983 despite the fact that only \$5.2 million was earmarked for it in the 1983 Budget proposals. This Ministry should be scrapped, for as the PPP told the Parliament on several occasions, it is the object of abuse and misuse by the PNC for partisan purposes.

The 1984 Budget entails a slight increase in consumer food imports from \$95 million in 1983 to \$128 million this year. Allocations for fuel and lubricants which reached \$326.3 million in 1982 fell to \$290 million in 1983, have shot up to \$400 million in 1984! These import increases are not essentially in volume, but are because of the 25 percent devaluation of the Guyana dollar. There is no information in the Estimates about the amount of drugs and spare parts to be imported in 1984. The inference is that there would be a continuing spare parts squeeze and a drug shortage.

Two final points need commenting on--the expected deficits from the state corporations and the financing of the 1984 Budget.

Minister Greenidge in his statement to the House confessed that the contributions of the state entities would on the whole be negative. A perusal of the Estimates reveals that the overall state sector deficit would be \$220.9 million compared to \$176.1 million in 1983 and \$145.8 million in 1982. Guysuco and Guymine are the prime causes.

No money is expected from the IMF in 1984, and none was obtained in 1983 either. External grants expected this year amount to \$20.8 million; external loans \$149.1 million; external credits \$74.6 million and internal loans \$486 million, almost totally debentures. These expected capital inputs in 1984 tot up to \$730.5 million compared to \$332.5 million in 1983 and \$266.8 million in 1982

Tax, Price Increases

Georgetown MIRROR in English 5 Feb 84 p 1

[Text] Guyana's crisis-ridden economy got a further severe battering last year as poor performance resulted once again in negative growth. The gross domestic product (total value of goods and services) experienced a record slump by 10.6 percent under the 1982 level.

And this year, according to Economics and Planning Minister Carl Greenidge, the national economic performance "is not likely to be better than that of 1983 in real terms."

Production in the major sectors of the economy fell. Export earnings from these sectors (rice, sugar, bauxite) were 18.5 percent below expected amounts. Guysuco's sugar target fell by 36,000 tons and there was a "dramatic fall in bauxite." The manufacturing sector fared particularly badly."

Claims that the public sector was being mismanaged have been confirmed when in his Budget Statement, Minister Greenidge revealed that this sector ran into a deficit of \$727.34 million. The Central government exceeded expenditures allocated at the beginning of the year by \$88 million.

This year Guysuco is expected to produce 247,000 tons sugar at a value of \$281 million. To help bail the bauxite industry out of its present crisis the central government will be supplying a loan of \$144 million.

The government now clearly intends to fund its operations not by revenue produced by workers in industries, but by more taxation and higher prices. The price of sugar has shot up to 35 cents per pound. Even school children are expected to carry the burden of financing a bankrupt administration. It has been made compulsory for students to deposit up to \$45 for borrowing books needed for exams. Additional burdens have been placed on the sick. Outpatient charges for drugs have increased, plus higher rates for private rooms. Payment would now have to be made for physiotherapy services.

In the municipal markets all hucksters must now pay licence fees while passengers going abroad have to pay \$50 instead of \$25 as exit tax. All this coupled with no increased wages this year and the effects of devaluation will create havoc on the livelihood of lower income groups in the country. The ruling party, after running the government by force and fraud, finds itself in a quandary. It is again calling for an "imaginative response" that "we ought not to be clinging to old ways" and is urging "timely changes." The Finance Minister himself gave this impression when in concluding his Budget Speech he said:

"I am seized of the fact that the picture of 1984 which I presented all appear very daunting. However, that is the reality."

PNC-PPP Exchange

Georgetown GUYANA CHRONICLE in English 7 Feb 84 pp 1, 5

[Article by Leon Walcott]

[Text] Vice-President, Production, Cde Desmond Hoyte and People's Progressive Party Front Bencher Narbada Persaud yesterday agreed that increased production can provide the solution to Guyana's economic woes.

They, however, differed radically on the People's National Congress Government's fiscal and economic strategies.

The agreement and differences were aired during the early stages of the general debate on the 1984 budget in the National Assembly. The general debate is scheduled to end today with interventions by Minority Leader Dr Cheddi Jagan and Prime Minister Ptolemy Reid.

Cde Persaud, who is the PPP spokesman on economic and financial matters, roundly condemned the Government's economic policies. He described Finance and Economic Planning Minister Carl Greenidge's budget speech as a "rehash of the same old tune."

The budget statement contained nothing new and reflected a deterioration of the country's economy, Cde Persaud said. He contended that it contained no relief for the "small man."

In his response, Vice-President Hoyte explained that even though Cde Persaud quoted figures to support his contentions, such figures are meaningless unless the reality of the country's economic situation is realised.

Disappointment

Cde Hoyte, who had presented the previous three budgets, in his former capacity as Vice-President for Finance and Economic Planning, expressed disappointment that the PPP economics spokesman did not make any useful suggestions as to how the situation could be righted.

He said production in the Guyanese context is related to this country's social, cultural and political realities, and is not a "partisan matter."

The Vice-President, under whose portfolio the management of the country's productive sectors falls, also outlined plans for greater use of this country's resources.

Diversification, he said, will be given increased emphasis so that there will be full economic use of goods which were once neglected. Guyanese will be encouraged to make more "imaginative use" of local materials which were once regarded as waste, he said.

He reminded members of the National Assembly that this country's economic programme is aimed at achieving self-sufficiency.

The Government, he stressed, is aiming at nutritional self-sufficiency as distinct from that which involves a preference for food of a particular taste.

Other objectives of the programme are reduced dependency on external sources, generation of employment, generation of exports and the overall stimulation of economic growth and development.

Earlier, Cde Persaud had also accused the Government of not living up to its pledge to ensure public accountability. He described the parallel economy as a "cancer" which is not unique to Guyana since many developed and developing countries have been affected by it.

He felt that the strategies outlined by Cde Greenidge in his budget speech would not change the "gloomy picture during 1984."

Survival

He accused the People's National Congress of not implementing the "strategies for survival" as was outlined in the 1983 budget speech.

He contended that in 1983, the Consolidated Fund (the fund into which all the country's earnings are placed) was overdrawn by \$2,8 billion. He said the figure is likely to reach \$3,1 billion by the end of this year.

However, the PPP spokesman supported Minister Greenidge's suggestion about rescheduling the country's external debt payments on the grounds that it would give the government time to implement appropriate economic measures. But Cde Persaud warned that rescheduling "cannot work in isolation," rescheduling, he said, must be supported by sound economic programmes.

In his budget speech, Cde Greenidge had hinted at rescheduling as a possible short-term solution to this country's debt payments. By the end of last year, Guyana's external commercial payment arrears had exceeded the \$32 million mark. (GNA)

Call for Unified Effort

Georgetown GUYANA CHRONICLE in English 8 Feb 84 pp 1, 2

[Text] Vice-President Responsible for Party and State Matters Cde Cammie Ramsaroop yesterday afternoon reiterated that it will take the united effort of all Guyanese to quickly and successfully solve the problems facing the country.

He warned against blame-throwing, an exercise which he described as "meaningless" and "arid," and suggested that the budget debate "show the light we can shed and not the heat we can generate."

The Vice-President was making his contribution to the National Assembly general debate on the 1984 budget.

His call followed invitations from other People's National Congress Members to the Minority Parties Monday night to make a contribution to the national economy recovery.

Vice-President Ramsaroop called for the full realisation of the crisis with which the country is faced and for the rediscovery of the "culture of development."

Cde Ramsaroop said that there is need for the re-adaptation of the culture of our forefathers who "taught us to avoid waste, to work hard, to save, and to regard integrity as among the greatest virtues, and above all, implant in our psyche a sense of direction and a desire to better our human condition."

On Monday night Health Minister Richard Van West Charles, Manpower and Co-operatives Minister Kenneth Denny and PNC Parliamentarians Robert Williams and Oscar Clarke urged the Minority parties to help overcome the national problems.

The PNC parliamentarians, who were responding to contributions from the Minority People's Progressive Party (PPP) and the United Force (UF) members pointed out that nation-building could not take place in a vacuum.

"Guyana needs the help of everyone, including the Minority parties," stressed Cde Denny.

"A stable industrial climate is pivotal to economic recovery," he added.

Cde Denny emphasized that it is important that all the parties in the National Assembly work together to "eliminate the problems besetting the national economy."

The Minister, in responding to charges by PPP frontbencher Clinton Collymore, said that government has had talks with the Trades Union Congress on ways of assisting workers to overcome recent cost of living increases.

Earlier, Cde Collymore had contended that the government had insulted workers by hinting in the budget speech that salary increases were not the answer to the rising prices.

But, Cde Denny explained that while the TUC has a right to bargain for higher wages, the organisation has to realise that the country's ability to increase wages depends on its volume of production.

Members of the Minority PPP expressed concern at what they described as the "downward trend of the national economy."

Cde Collymore and Cde Cyril Belgrave attacked the measures outlined in the 1984 budget saying that they made no provision for the welfare of the ordinary Guyanese.

Executive Chairman of Guyana Fisheries Limited, Cde Robert Williams assured the Assembly that the government will continue its efforts to provide fish at reasonable prices to the nation.

Cde Williams said that his company expects to make available more than 5,7 million pounds this year, compared to 4,3 million last year.

Health Minister Richard Van West Charles, in his contribution, said that his Ministry is regionalising its operations in an effort to improve its services.

Cde Van West Charles reminded the Minority parties that although health is the government's overall responsibility, the entire community has to become involved for it to be effective.

The Ministry of Health, he stressed, is willing to work with the Minority parties in the interest of the nation's health.

Also making a contribution yesterday afternoon was leader of the Minority United Force (UF) party Marcellus Feilden Singh who attacked the recent devaluation of the Guyana dollar, claiming that the budget does not make any provision for the protection of the Guyanese people from this recent move which brings on increased prices.

He called for more flexibility in the use of our foreign exchange resources.

Plans for Industries

Georgetown GUYANA CHRONICLE in English 8 Feb 84 p 8

[Text] Energy and Mines Minister Harun Rashid, Monday evening stressed the need for Guyana to supply high-quality bauxite at competitive prices if it is to take advantage of world markets.

Speaking during the general debate on the 1984 budget, Cde Rashid said the international demand for aluminium was increasing after years of stagnation, and the local industry was sure to benefit. He was outlining plans to be executed this year under the guidance of his Ministry.

But, he said, Guy mine must realise it exists in a competitive world and must therefore pay more attention to its "supply side."

He noted that a new mood of commitment to increasing productivity and efficiency was emerging within the industry and Guy mine had surpassed its January production targets for both calcined and metal grade bauxite.

In January, the company produced just over 42,000 tonnes of calcined bauxite, surpassing its original target by almost 5 000 tonnes. Production of metal grade bauxite reached 36 818 tonnes in January, exceeding the targeted 34,100 tonnes.

Cde Rashid also referred to the diamond and gold industries and disclosed that harsher penalties, including mandatory prison terms for smuggling will be introduced this year. Improved monitoring is another means by which the Minister hopes to curb "the massive illegal outflow of these precious metals. "

Sales to the Gold Board rose from 1,658 ounces in 1982 to 5 397 ounces in 1983, but Cde Rashid admitted that this amount represents just a "tiny" amount of actual production.

Other activities planned for the Energy and Mining sector this year are two exploratory projects to determine gold deposits in the Upper Konawaruk and Rupununi areas, and the promotion of indigenous sources of energy, such as charcoal, biomass and wood, he said.

Cde Rashid said government's promotion of indigenous energy sources should be viewed "not as a retrograde step, but rather as a necessary prerequisite for development."

He also spoke of plans to launch two mini-hydropower schemes sometime this year. Financing, he added, was now being sought for the 50-megawatt Tumatumari Hydropower Scheme which would supply Guyana and the Guyana Electricity Corporation.

Guyana's soil resources, Cde Rashid said, development in this area had been frustrated by world recession, which had caused a drop in demand for oil and therefore less oil exploration.

He, however, observed that Government expects Home Oil Company and Dennison-Seagull to submit programmes for drilling of wells both offshore and on land sometime this year. (GNA)

Livestock, Agricultural Programs

Georgetown GUYANA CHRONICLE in English 8 Feb 84 p 5

[Text] Vice-President, Production, Cde Desmond Hoyte has said the country's livestock industry will receive more attention in 1984.

Cde Hoyte was responding to People's Progressive Party economic spokesman Narbada Persaud who, during his contribution to the general debate on the 1984 budget had charged the government with doing nothing to increase production in the country.

The Vice-President said that all the country's productive sectors will benefit from the government's plans and explained that a part of the \$24 million set aside for Guyana Fisheries Limited will be used for the production of fish-meal. The fish-meal will be used in the manufacture of stockfeed on which the livestock industry depends.

The Export Promotion Council will receive \$1.1 million to continue its work in the marketing of non-traditional goods.

And in an effort to improve the quality of agricultural output, a National Agriculture Research Institute will be set up shortly, Cde Hoyte explained.

In his speech, the Vice-President appealed to the Guyana Agriculture and General Workers' Union (GAWU) not to attempt to disrupt the smooth running of the sugar industry. It was reported that the union which represents most of the country's sugar workers, had threatened to take strike action to back wages demands it made to the state-owned Guyana Sugar Corporation.

This year, the government has set aside \$325 million for the productive sector. Of this amount \$198 million has been earmarked for agricultural development, \$21 million for forestry, \$34 million for fishing, \$43 million for mining and \$26 million for manufacturing.

In addition, large sums of money will be spent on the maintenance of drainage and irrigation works to aid farmers in their efforts to increase production.

He said that the government has already spent \$300 million on the Mahaica/Mahaicony/Abary Agricultural Development Scheme. Cde Hoyte said more money will be spent on the second phase of the Scheme.

He explained that about 4 500 hectares of land on the Essequibo Coast will benefit from the completion of the Tapacuma Water Control Scheme, the second phase of which is being carried out by the local firm Guyconstruct.

The dairy industry has been targeted for special attention this year, and, according to Cde Hoyte, the plan is based on what the country possesses.

In 1981 over \$35 million were spent to import milk when there were about 250,000 head of cattle, 100 000 of which were milk-producing.

Government plans to develop pastures in cattle-rearing areas, develop ranches for private individuals and state ranches to encourage schools and districts to participate in dairy farming.

He also deplored irresponsible slaughtering of animals for beef and called it a self-defeating move. (GNA)

Incentive of Regional System

Georgetown GUYANA CHRONICLE in English 9 Feb 84 p 8

[Text] National Mobilisation Minister Robert Corbin said Tuesday that the three-year-old Regional System has great potential for stimulating economic growth and peoples' development.

Speaking during the general debate on the 1984 budget, Cde Corbin said that in allowing for full participation of the people in their own affairs, the Regional System serves as an incentive to production.

In pointing out the benefits of the Regional System, he also replied to issues raised during Tuesday's debate by United Force Member of Parliament Michael Abraham. Mr Abraham had drawn attention to inadequate pure water supplies in the Rupununi which, he said, had resulted in unhygienic conditions at the Lethem abattoir.

But Cde Corbin said several wells and pumps (one electric and 48 hand-operated) had been installed by the Regional Democratic Council in that area. While admitting that some of the wells were not working properly, Cde Corbin also noted that the water table in the Rupununi was low because of poor rainfall in the last two years.

Monday Mr Abraham had also contended that the price of \$3.15 per pound for beef being offered to cattle farmers in the Rupununi was inadequate when compared with the high price of beef (about \$9.50 per pound) in Georgetown.

Cde Corbin on Tuesday pointed out that the Regional Administration had been instrumental in obtaining better prices for cattle farmers. The price was increased from \$2.75 to \$3.15 per pound after consultation with farmers in the Region.

The Region Nine Administration, he said, had quickly resolved some problems which in the past would have taken months for Central Government to hear about.

Also speaking Tuesday afternoon was People's Progressive Party (PPP) member Reepu Daman Persaud, who contended that farmers were not motivated to increase production because they were not being paid "attractive" prices for their produce.

Cde Persaud agreed with Government's policy to cut back on imports but called for a policy review on the importation of certain consumer items.

The PPP member contended that the recently announced plan to separate the milling and marketing functions of the Guyana Rice Board was "just an extension of the bureaucracy" and was not the solution to problems affecting the industry.

He said what was needed was more farmer participation in the running of the industry.

But in replying to Cde Persaud's statement, Cde Corbin noted that rice boards had been established in the Regions so that the people could be directly involved.

Cde Corbin also pointed out that the Regions were now directly responsible for the distribution of agricultural inputs such as fertilisers. Seed nurseries and special plots for propagating planting material will also be set up this year in the Regions, he added.

He said the State Planning Secretariat will help in setting up units to assist the Regions in planning their economic projects. Over the past year, he added, priority was given to the placement of professionals so as to improve the capability of the Regions.

In winding up, the National Mobilisation Minister said the country's economic problems could be solved if all the country's resources are made use of, and all Guyanese are involved. (GNA)

Reid, Jagan Debate

Georgetown GUYANA CHRONICLE in English 9 Feb 84 pp 1, 3

[Article by Leon Walcott]

[Text] Prime Minister Cde Ptolemy Reid Tuesday night urged members of the two Minority Parties in the National Assembly "not to lose touch with reality."

The Prime Minister said: "If we lose touch with the reality of the international scene, we will lose all that we have struggled for." He pointed out that the events in other parts of the world can affect Guyana and stressed the need for food security as the way to political independence.

The world is in turmoil, he said, drawing attention to events in the Middle East, South Africa and Central America and the Caribbean. Guyana itself is a target of cultural and economic aggression, Cde Reid pointed out.

New mercenary activities are being planned against this country said the Prime Minister. All of these events should serve as a warning so that Guyana should always be on guard against all forms of aggression.

Cde Reid was responding to remarks made earlier by PPP Leader Dr Cheddi Jagan who contended that poor economic planning by the ruling PNC was the cause of the country's economic woes. Dr Jagan said his Party will only co-operate if it finds that the PNC government means "business."

Earlier, in his contribution, Dr Jagan said "the budget does not get down to the root of the problem and like others would not produce the desired results."

The Minority Leader accused the PNC Government of squandering money and adopting a monetarist approach to Guyana's economic problems and contended that instead of implementing workable strategies the government prefers to go begging for money.

The PNC regime is vacillating and is seeking to reverse the socialist path it has pledged to follow, thereby changing from co-operative socialism to dependent capitalism, Dr Jagan alleged.

He further contended that the government wants to de-nationalise vital sectors of the economy and place them in the hands of foreigners.

The PPP leader recommended that the government

--reduce its allocation to the Foreign Ministry and limit the size and number of embassies

--reduce military spending; and

--dismantle what he called "the bloated government bureaucracy."

He also called for more emphasis to be placed on social development since it cannot be divorced from economic development.

In his reply, Cde Reid told the Assembly that in spite of the problems facing the government serious efforts to increase and improve housing facilities have been made. There has also been a general improvement in educational opportunities, he noted.

However, the time has come when efforts and resources have to be concentrated to achieve co-operation, production and defence, since "we have the task of defending the revolution," Cde Reid said.

If Guyanese appreciate what is going on, he added, they will get the courage to "carry on the fight."

This country, he stressed, has to ensure that food is never used as a weapon by the imperialists to "thwart our socialist dimension."

Therefore adequate supplies of food is vital to genuine development, said Cde Reid, adding that many people thought that the withholding of wheat from Guyana would have sparked off food riots.

The PNC General-Secretary rejected suggestions that certain food items be re-imported and asked why should scarce foreign exchange be spent on commodities which could be replaced locally.

Food habits and tastes need to be changed in response to national priorities. He said some developed countries want the Third World to believe that wheat and other exotic food items are essential to life.

Cde Reid said the government recognises the effects of the 25 percent devaluation of the Guyana dollar on the income of the workers and pointed out that provisions have been made in the 1984 estimates for those who are seriously affected by the cost of living increases. (GNA)

CSO: 3298/698

CONFERENCE ON 'LOCAL DEMOCRACY' HEARS BURNHAM, HOYTE

Burnham on Regional Officers

Georgetown GUYANA CHRONICLE in English 2 Feb 84 p 1

[Text] President Forbes Burnham last evening urged Regional Officers to recognise their responsibilities and authority and to be more confident in carrying out their tasks.

Speaking at the opening of a conference on "Local Democracy," Cde Burnham noted that some Regional Administrations were still unsure of themselves and were still looking to Central Government for help in carrying out their programmes.

He stressed the need to motivate people at the grassroot level and urged more direct communication between the Regional Democratic Councils (RDCs), and the other local democratic organs--People's Co-operatives and Neighbourhood, Community, District and Sub-Regional Councils.

"You cannot lead people with whom you cannot communicate," he told Regional leaders, adding that "without knowledgeable and committed people, plans are but a piece of paper."

Cde Burnham also underlined the importance of "consistency between declaration and performance," and said "Regional Chairmen must lead by example."

"You have been elected by the people to lead, you have not been elected to put on airs," he said.

In his 75-minute address, Cde Burnham also had words of advice and warning for corporation officials and public servants working in the Regions.

He told them that they were citizens of the Regions in which they operate and should respect the office of the Regional Chairman and not look at the alleged background of the person filling the post.

"The essence of the Regional system is the devolution of authority, (and) institutions and persons have to be respected because of their significance."

He also warned public servants that they will not be allowed to remain in the service if they turn down postings to any Region. He said public officers should take orders on routine work from the Region and not from Ministry officials in Georgetown.

"If we want to develop Guyana, we cannot develop Georgetown...we must be where the development is taking place," Cde Burnham said.

And, touching on the concept of democracy, President Burnham said it did not merely mean periodic elections to Parliament, but rather allowing the people to participate fully in development and to enjoy the rights to food, clothing, shelter, health, education and leisure and happiness.

He said the Regional Democratic System now being put in place has been structured not only to allow for people's participation, but also for "an organic relationship" between the Local Organs and Central Government.

He, however, said the Regions need to work towards becoming self-sufficient in food, and to carry out successful economic projects to raise their own finances.

He told Regional leaders that there is need for a more thorough mobilisation of the people at the grassroots level, noting that "in the final analysis, it depends on how effectively you mobilise the people."

The five-day conference on "Local Democracy" will review and evaluate the three-year old Regional system and is expected to come up with proposals for increasing its efficiency.

Regional Chairmen, Vice-Chairmen and other participants will hold their discussions at the Kuru Kuru Co-operative College on the Soesdyke-Linden Highway.

Prime Minister Ptolemy Reid and other senior government Ministers will speak to participants on various aspects of the Regional system.

Hoyte on Agricultural Policy

Georgetown GUYANA CHRONICLE in English 4 Feb 84 p 1

[Text] The Guyana Co-operative Agriculture and Industrial Development Bank (GAIBANK) will this year put \$93 million into the productive sector. Thirty-seven million dollars will be used for agricultural development and the remainder for the manufacturing and industrial sector.

This was disclosed Thursday by Vice-President, Production, Cde Desmond Hoyte as he addressed participants at the afternoon session of the conference on "Local Democracy" being held at the Kuru Kuru Co-operative College on the Soesdyke/Linden highway.

Cde Hoyte, in his address to the top officials of the country's ten Regions in the National Agriculture Plan said that loans will be available to finance both crop and developmental activities in agriculture and industry and other manufacturing activities.

On the question of production, the Vice-President said Guyanese must strive for increased efficiency in order to achieve a higher level of production.

Vice-President Hoyte urged the community leaders to emphasise the importance of diversification so that more attention can be paid to such neglected crops as cashew, coffee, cocoa, lemon grass, sweet broom and other herbs.

He declared that "we have abandoned the principle of self-reliance and have become dependent on outside sources for instant coffee, tea and all the other things we can do without. We need to get back to the basics and the best place to start bringing back those resources is in our regions."

Among the principal objective of the Agri Plan Cde Hoyte said, is self-sufficiency in food.

Dealing with specific policy matters, Cde Hoyte said that self-sufficiency in food means nutritional self-sufficiency. "We must produce food in adequate quantities so as to enable us to have the necessary nutritional intake to keep us healthy and strong," the Vice-President said.

"Nutrients must override preference for taste and so as we organise to make ourselves self-sufficient, we will have to change those tastes providing what we produce will give us the nutritional self-sufficiency that we are talking about," Cde Hoyte added. (GNA)

CSO: 3298/698

SUCCESS OF 'LOCAL DEMOCRACY' MEETING REQUIRES PERSPECTIVE

Georgetown NEW NATION in English 12 Feb 84 p 8

[Text] Guyana will be in a very good position by the end of the year to evaluate the success of the just-concluded five-day conference on local democracy, Central Committee member and Minister of National Mobilisation, Cde Robert Corbin told the Administrative Committee meeting of the People's National Congress, Wednesday.

Responding to a call for a report on the conference Cde Corbin said participation was high and there were fruitful discussions on a wide range of topics. There was also an opportunity for performance, evaluation and self-criticism, he added.

There was a serious evaluation of the Regional system as it exists and conference participants acknowledged that there is still a lot to be done in getting people in the Regions to appreciate their new role as programme planners and as decisionmakers, he added.

Cde Corbin said the attitudes and other behaviour patterns of the Regional authorities were not neglected during the conference since these factors played a determining role in the response of people to the challenges.

The success of the conference depends on how the participants implement the suggestions that were proposed and at the end of the year the nation will be in a position to evaluate the benefit of the five-day exercise, he added.

With the planned introduction of new sectors to the Regional system the delegates to the conference have recommended that officials from each sector be provided an opportunity to gain representative status at the highest level of the Regional system.

Cde Corbin noted that during the conference emphasis was placed on health education and its implications for the system of regionalism especially since a programme of decentralisation has been undertaken. This will entail some modification of the existing laws governing the Regional system, he said.

Discussions also centred on Regional financial control and the need for the Regions to be self-financing in the immediate future, he added.

CSO: 3298/713

GREENIDGE NAMED TO ACP MINISTERIAL POST FOR TRADE

Georgetown GUYANA CHRONICLE in English 13 Feb 84 pp 1, 5

[Text] Guyana's Minister of Finance and Economic Planning, Cde Carl Greenidge, has been appointed ACP Ministerial Negotiator for Trade, one of the key areas in the ACP-EEC relationship, a statement from the Ministry of Foreign Affairs disclosed Saturday.

He will hold this responsibility for the duration of the negotiations.

Cde Greenidge was appointed by the ACP Council during the second ACP-EEC Ministerial Meeting for the negotiations on a successor arrangement to the second ACP-EEC convention which concluded in Brussels on Friday.

During the meeting, both sides, consisting of some 64 developing countries of the African, Caribbean and Pacific group as well as the 10 members of the European Community, presented their views on several areas of cooperation, including trade, mineral and energy development industry, finance and agriculture.

The ministers agreed that because of the early state of the negotiations, further discussions should continue at ministerial level to allow for fuller exchanges at the next meeting to be held in Fiji from May 2-4, 1984.

In preparation for the joint ACP-EEC council, ACP ministers met from February 6-8 and reviewed the reports on the state of progress in the negotiations and on the implementation of the current convention.

Cde Greenidge, who is also current ACP ministerial spokesman on sugar chaired the meeting of the 17-member Sugar Exporting States of the ACP Group on February 8.

This meeting discussed the strategy for the 1984-85 price negotiations, the question of permanent reallocation of sugar shortfalls from the ACP quota and the implications for ACP sugar in the impending accession of Portugal to the community.

A re-examination of the conditions of the implementation of the Protocol, the approach to be adopted for its transcription and related provisions in the successor convention also received attention. Cde Greenidge reported on the discussions on trade and sugar to the special session of the ACP-EEC Council of Ministers.

The EEC and the ACP nations are linked by a multi-billion-dollar five-year trade and aid package that will expire next year.

The agreement links EEC states with many of their former colonies.

The Guyana delegation to the ACP and ACP-EEC council meetings which was headed by Cde Greenidge comprised Cde Cedric Joseph, High Commissioner to the United Kingdom; Cde Harold Sahadeo, Ambassador to the EEC; Cde Cecil Rajana, Divisional Head of the Department of International Economic Cooperation and Cde David Hales, First Secretary of the Guyana Embassy in Brussels.--(GNA)

CSO: 3298/713

JACKSON DISCUSSES SOUTH-SOUTH TIES WITH MISSION CHIEFS

Georgetown GUYANA CHRONICLE in English 18 Feb 84 pp 1, 5

[Text] Heads of Guyana's Diplomatic mission's overseas will meet in March or April to work out 'a refined programme' to accelerate national economic development through increased South-South cooperation, Foreign Minister Rashleigh Jackson announced yesterday.

Addressing a Press conference at his Carmichael Street offices, he noted that during 1983 Guyana had taken concrete steps to further its economic relations with socialist countries and had advanced its co-operation bilaterally with some developing countries, including Argentina, Brazil, Colombia, the Democratic People's Republic of Korea, India, Trinidad and Tobago and Yugoslavia.

Reviewing other developments in 1983, he referred to the intense nature of tension in international relations and noted that shouts and threats took the place, almost exclusively, of dialogue and negotiations."

He stressed the need for developing countries to engage in and promote South-South co-operation at both the bilateral and multilateral levels. Cde Jackson noted that efforts last year to promote international economic co-operation were made subordinate by some major developed non-socialist countries to their programmes for national economic recovery.

UNCTAD which was held in Belgrade in June was noteworthy for its lack of seriousness in seeking solutions to the grave problems affecting the international economy.

"1983 witnessed the congealing of attitudes of some countries in shying away from the universalistic institutions and in blatantly politicising the activities of multilateral financial institutions," Minister Jackson said.

He said the US-led invasion of Grenada was a violation of the United Nations Charter and international law and had caused 'deep fissures in the relations among hemispheric states.'

He said Guyana does not recognise the Interim Administration in Grenada and is not satisfied that the Administration is functioning free from outside interference.

Answering a query as to whether steps were being taken to mend the rift among Caricom states caused by the Grenada invasion, Cde Jackson said Guyana will this year be seeking to strengthen bilateral relations with its Caricom neighbours.

He said preparations for a meeting of the community's foreign ministers had already begun. The meeting is expected to be held in St Vincent and the Grenadines.

On the Guyana-Venezuela territorial issue, Cde Jackson reminded journalists that the choice of a means of settlement was now in the hands of the UN Secretary-General. Guyana he added, was cautiously optimistic that given goodwill on both sides, the climate for improved relations can be created.

The Foreign Minister also touched on the role of the Non-Aligned Movement which he said had been able to maintain its unity and solidarity despite the negative trends and tendencies in the international system.

He said that in 1983 Guyana had been able to maintain a 'vibrant and successful foreign policy thrust in the circumstances of tension and the constraints of limited resources.

Guyana, he added, completed for the second time its second year as the Latin American and Caribbean representative on the UN Security Council, and had been elected a vice-president of the UN General Assembly, even though it did not seek this post. (GNA)

CSO: 3298/713

HOYTE, NEW WEST GERMAN ENVOY EXCHANGE REMARKS

Georgetown GUYANA CHRONICLE in English 17 Feb 84 pp 1, 5

[Text] Guyana has always advocated and will continue to advocate a peaceful solution to its territorial controversy. And, as a member of the United Nations and the Non-Aligned Movement Guyana can do no less than abide by those principles which it believes should govern the relationship between States.

This assurance was given by Vice-President, Production, Desmond Hoyte to the new Ambassador Extraordinary and Plenipotentiary of the Federal Republic of Germany His Excellency Dr Johannes Reiteberger, when the ambassador presented his Letter of Accreditation to the Vice-President yesterday.

Dr Reiteberger replaces the former Ambassador to Guyana, His Excellency Karl-Heinz Rouette.

The ambassador had expressed appreciation of Guyana's handling of the territorial issue with one of its neighbours.

The ambassador noted that there has been some success in economic integration among Caricom States and he expressed the hope that Guyana would benefit from a "greater Common Market" involving these States.

Cde Hoyte acknowledged the FRG's contribution to international economic cooperation and pointed to Guyana's awareness that "peace" and security are contingent on economic stability."

Cde Hoyte observed that for this reason, Guyana had always lent its support to those initiatives designed to improve the lot of humanity and to guarantee its survival.

The Vice-President also observed that Guyana was attempting to maximise the possibilities of cooperation within the Caricom system in the same way as the FRG has been doing in the European Economic Community.

He added that in addition to the direct bi-lateral cooperation between Guyana and the FRG, Guyana valued the opportunities which are presented to it under the Lome Convention.

REPORT ON RICE SALES SHOWS RECENT INCREASES, HOARDING

Georgetown GUYANA CHRONICLE in English 16 Feb 84 pp 1, 8

[Text] More than 3 000 tonnes of rice were sold over the last two and a half months by the Guyana Rice Board (GRB) for consumption in the city, the board's General Manager explained yesterday.

Figures disclosed by the GRB revealed that between December last year and February 10 this year a total of 3 811,5 tonnes of rice were sold to stallholders in five municipal markets, shopkeepers, individuals, state-owned outlets and other agencies.

In December 1 498 tonnes of rice were purchased from the GRB's Water Street outlet. Some 1,707 tonnes were bought in January and 606,5 tonnes up to February 10. This means that an average of 55,5 tonnes of rice were sold every work day in December, 65,6 tonnes in January and 67,4 tonnes up to February 10.

General Manager of the GRB Leon Dundas said that the Board has been forced to increase its volume of rice sold at its Water Street outlet because of a recent rise in demand for the commodity.

This, he explained, arose out of an artificial shortage created by private dealers who are expected to satisfy local consumer needs.

In November 1982, Cde Dundas explained, private millers and farmers were allowed to sell rice to the public. This move was designed to give the GRB a chance to concentrate on exports while the private people meet local demands.

Requirements

Prior to November 1982 all rice producers in the country were required to sell their produce only to the GRB which was responsible for distribution throughout the country as well as for export.

The General Manager said that private millers have failed to meet expected requirements. He accused them of withholding rice supplies in anticipation of an increase in rice prices. He, however, said that he was not aware of plans to increase the price of rice.

He explained that during last week while a shipment of rice was being loaded for export, the GRB did reduce its local sales. This could have affected distribution slightly, he said.

Responding to allegations of a bad distribution system at the GRB, Cde Dundas said that although the corporation is expected to concentrate on exports it has been doing its best to satisfy local needs. GRB sells rice to the public every day, he noted.

But while, according to Cde Dundas, rice keeps flowing out of the GRB, consumers still complained of the absence of the commodity in the municipal markets and in some cases, where the product could be had, vendors were calling for as much as \$10 per gallon.

A system is being worked out to monitor the movement of rice purchased from the GRB, he said.--(GNA)

CSO: 3298/713

BRIEFS

GOLD, DIAMONDS OUTPUT--Guyana's five mining districts last year declared \$4,7 million in gold to the Guyana Geology and Mines Commission. This amount is \$3,4 million less than the amount declared in 1982, according to statistics from the Commission. However, declarations of diamonds during 1983 showed an increase over the previous year's total. During 1983, miners declared \$1,8 million in diamonds compared to \$1,6 million in 1982. This reflected an increase of \$127,000. In 1983, miners declared 143.4 kilograms of gold from the Cuyuni, Mazaruni, Potaro, North-West and Rupununi Districts, compared to 268,8 kilograms declared during the previous year. Miners also declared 12,361 metric carats of diamonds during 1983 recording an increase over the previous year's total of 11,492 metric carats. The highest declarations came from the Mazaruni district which declared more than \$2 million worth of gold and \$241,400 worth of diamonds. [Text] [Georgetown GUYANA CHRONICLE in English 22 Feb 84 p 1]

CSO: 3298/713

LOCAL ELECTIONS POSTPONED 1 YEAR BY PARLIAMENT

Kingston THE DAILY GLEANER in English 4 Apr 84 pp 1, 3

[Text] Local Government elections, due to be held in June of this year, have been postponed for a year.

Bills postponing the elections were passed by the House of Representatives yesterday, piloted by the Minister of Local Government, the Hon Neville Lewis.

Mr Lewis said the reason for the postponement was the Director of Elections would not be able to put in place in time the new system of voter registration.

Speaking in the debate on the Bills, the Hon Bruce Golding said a total of 681,251 electors were processed by the Electoral Office up to the end of last week. In addition, up to the same time 492,022 identification cards have been produced.

These figures were given by Mr Golding in his capacity as the Minister with responsibility for electoral matters.

He said that the figures of processed electors represented two-thirds of an estimated electoral list of 960,000.

"Work has been proceeding apace and we're still aiming at completing the in-plant operation somewhere towards the middle of the year," Mr Golding said

He told the House that he did not want to be more precise than that because of the kind of problem that an operation of this magnitude would encounter from time to time. Problems with the processing equipment leading to the summoning of the technicians to correct the fault had caused some amount of delay, he said.

A preliminary Voters List would be produced to give Members of Parliament, political parties and individuals an opportunity to check to determine whether any omissions and errors had been made, he added.

Errors where they occurred would be corrected when pointed out.

It was intended also that, in keeping with an agreement that was arrived at between the two major political parties and accepted by the Electoral Advisory Committee, voter identification cards would be distributed on a house-to-house delivery basis.

Enumerators and scrutineers would be employed from the two major political parties to carry out this exercise.

"The reason for that is that we are very petrified about trying to distribute ID cards through the mail, not only because the problems which are inherent in that but also of the possibility of identification cards finding themselves in the wrong hands," the Minister said.

That was going to take time, if one looked at the enumeration exercise which lasted 15 weeks before it was suspended in November and then went on for a further week.

Mr Golding referred to a statement which he said had been made by the President of the People's National Party, challenging the integrity of the Government in bringing the Bills to Parliament and "attempting to impute motive that there is some sinister design to postpone Parish Council Elections."

It was the normal thing, and the President of the PNP knew this, that when Local Government elections were postponed, they were put off for a one-year period, even if it was found that the period of postponement would not be more than two or six months.

Parish Council Elections had been postponed for one year in 1972 to take in 18-year-olds on the list; for another year in 1973; and also in 1980 for a one-year period by the previous Government.

"It's not that the President of the People's National Party does not know. He knows. He can be accused of many things, but he cannot be accused of ignorance in this respect," Mr Golding said.

He stated that what the PNP President wanted to do by that statement was to tie down the Government to some specific postponement.

It was not possible for an election date to be announced until the Government had a clear indication as to the date by which the list would be completed, the ID cards completed, the list verified and checked and the ID cards distributed, he said.

"It's not the practice of this Government to announce elections sufficiently in advance so that all the guns that may not yet have been recovered by the Police will be unleashed on the people," Mr Golding said.

It was not possible to have a new list and ID cards in place in order to facilitate any Parish Council or KSAO elections in June of 1984, he said, referring to a demand from the PNP for the system to be in place before it contested any elections.

The Minister of Education, the Hon Mavis Gilmour, quoting the Representation of the People Act, said that the Act stated that any political party with five or more members in the House would have scrutineers to supervise the electoral process.

It was important for the House to understand whether or not out of generosity and great respect of the Government other political parties not having five or more members in the House would be allowed scrutineers in the delivery of identification cards and or the updating of the Preliminary List, she said.

The Leader of Government Business in the House, the Hon. J.A.G. Smith, said he could see an attempt was being made to make a nonsense of something which was clearly a non-starter.

He asked the Minister with responsibility for Electoral Matters to make a statement indicating when it was likely that the preliminary list would be ready.

On the distribution of ID cards, he said that he was quite certain that the Government in its zeal to ensure democracy would continue to offer "more than is due" to insure that democracy was upheld.

Mr Lewis, in piloting the Bills--entitled Acts to postpone the holding of general elections under the Parish Council and Kingston and St Andrew Corporation, proposed amendments to the Bills for the suspension of by-elections.

The amendments were approved and the Bills passed.

CSO: 3298/714

CIVIL AVIATION ACT CHANGE STUDIED BY PARLIAMENTARY UNIT

Kingston THE DAILY GLEANER in English 9 Apr 84 p 7

[Text] The Joint Select Committee of the Houses of Parliament which was appointed to consider and report on the Bill entitled "An Act to Amend the Civil Aviation Act," has reported much progress and suggested that matter be referred to a similar committee in the coming session.

The Committee in a brief interim report tabled on Tuesday, said that after meeting on March 1 and 15, it had the honour to report that much progress had been made:

"Our committee wishes to report progress and recommend that due to the impending prorogation of Parliament, that the Bill be again referred to a similar committee to continue its work in the next session."

The House appointed a committee on February 7 after Mr E.K. Powell (North-East St Catherine) raised certain objections to parts of the Bill. It was the first Bill before the House involving public participation under the new parliamentary procedures. The Rev Alston Henry of the Jamaica Association of Evangelicals appeared before the Bar of the House on the matter. The Senate named four of its Members to the Committee on February 10.

The Bill seeks to amend the Civil Aviation Act to: increase maximum penalties for offences; empower the Minister to make regulations to provide for the seizure, forfeiture and disposal of aircraft which land or take off at any place in Jamaica; empower the Minister to authorize the security forces to demolish airstrips, unlicensed aerodromes or aerodromes being used contrary to licence; empower the Commissioner of Police to require the owner of land to take measures against the use of the land for unlawful landing or take off of aircraft; and, to prohibit the construction or operation of aerodromes without the approval of the Minister.

Members from the House of Representatives were: the Hon Pearnel Charles, chairman, the Hon Winston Spaulding, the Hon J.A.G. Smith, Dr Horace Chang, Dr Joan Chung, Mr E.K. Powell and Mr Carl Rhoden.

Members from Senate: Senator Christopher Bovell, Senator Egbert Miller, Senator Emil George and Senator Barbara Blake.

CSO: 3298/714

CONSIDERATIONS IN HAVING U.S. BASE IN JAMAICA ASSESSED

Kingston THE SUNDAY GLEANER in English 1 Apr 84 pp 8A, 11A

[Article by Lloyd A. Vermont]

[Text] Mr Leslie Ashenheim has been interpreted as having suggested that a U.S. military base in Jamaica could be just one of the "remedies that the doctor prescribes" for our economy which has been made as such by the illegal flight of capital as by any other malady that will come to mind.

Admittedly the idea is loaded on all sides of the dice. For example, the reaction of the PNP is completely true to form and what anyone of school age could have predicted. However, in this harsh world of reality it is survival that counts and there are many people who believe that a country, be it England, West Germany or Jamaica can grant the rights of siting a foreign military base on their soil without surrendering one little bit of their sovereignty.

But time is longer than rope. And in any event all it takes is a little reflection to see how Manley and his group supported and still support Cuba and Grenada (at the time) who have Russian military bases but who, for some strange reason (which only they could attempt to explain) did not appear (or at least the PNP has not said so) to have lost their national sovereignty. So let's by-pass them for the hypocrisy of their argument and look beyond to see if the idea is credible.

The Economic Basis

Others will support it for myriad reasons--some good, some indifferent and others maybe even a little suspect! (after all a Base would mean more U.S. dollars around and wouldn't that also mean more spirit away?) Others might equally disclaim it for the same three variety of reasons. I support the idea on the three bases of

(a) economic shot in the arm

(b) as a stimulant to help improve our attitude to work and help increase our productivity and lastly

(c) on the basis of the realities of politics. A B and C are given in my order of priority.

Jamaica wants U.S. dollars (foreign exchange) like "dry peas want fire." Nothing is easy in this world anymore and, particularly when dealing with people, things can go wrong very easily when those people are merely told what is good for them rather than sold on a concept which they themselves have bought. This has been a problem with successive governments and their magic plans have all or nearly all, been complete failures despite the encouraging incentives that have always been around.

The net is that, whatever we have been doing (and there have been some good things) our National Bank Account has long been out of the foreign money that we need so desperately to do everything. One reason for this unfortunately, is that our Jamaican dollar is not worth much outside of Jamaica and there are those who would even argue reasonably convincingly that it isn't worth much here either. A most important linkage in this does not get as much attention as it should, and it is the simple fact that, combined, our managers and workers are not producing at a high enough rate even admitting the fact of our high unemployment. But do we have a public campaign either from government, entrepreneurs or labour unions to educate industry of this vital linkage? Not to my knowledge. We simply plod along.

Worker Morale

The above observation applies to the run-of-the mill operations where many still seem to think we have magic wands that will bring success from poor management practice and indifferent worker attitude. But there are some excellent companies in Jamaica where management practices are very good and worker morale and output are high. The pity is that we don't have enough of these. A doubling or trebling of the present number could make so much differences to that foreign money shortage.

Plans are now afoot to effect some changes. The CBI is in place, and industry seems to be responding. Agro-21 is taking shape to wake our sleeping agricultural giant and put idle lands together with idle hands to produce for the local and export market; and thirdly but most importantly, (slowly, but apparently surely) entrepreneurs and managers are opening their minds and widening their vision to the need to switch from import-assemble-and-sell-at-high-price to one where the younger and smarter set are looking for ways to develop local resources into saleable merchandise. In time, the consumers' bondage of captivity should be eased as higher productivity and local raw material input finds its way on our supermarket shelves. But the transition is a painful one. It cost jobs! It causes family dislocations!

This is where a US military base in Jamaica would be a boon. It would provide us with millions of legitimate foreign exchange and temper the stranglehold that bauxite and tourism have on our future and that of our children.

This, it seems to me, is a logical and sensible reason to invite the U.S. to establish a base here. The benefits would be mutual, but ours would be "more mutual" than theirs. We need a shot in the arm to create jobs for our idle people and U.S. dollars that the government (any government) and all of us need to do those little things that need to be done.

The Work Ethic

Outside of the study on worker attitude which is a mere start, I don't know if we have any organised and generally accepted agency for the study and monitoring of our work output.

The general assumption based in part on the state of our economy is that our productivity is low, maybe in part, because we have a similarly low appreciation of the value of work.

Since the early 1970s and to date, the Japanese have done for the American worker and businessman what the Russian Sputnik did to the National Aeronautic and Space Agency (NASA) in 1957. Both events shocked the Americans out of their home-grown complacency and "pat me on the back attitude for how well I am doing."

The shock has worked. The American space programme immediately went into high gear and is today the unchallenged leader in space. American Industry and its workers have not yet, it would appear, completely caught up with the Japanese product quality and worker productivity but, as Peters and Waterman have pointed out in "In Search of Excellence--lessons from America's best run Companies" there have always been and continue to be, some excellent American manufacturers, whose product quality and productivity have been on par or have surpassed that of the Japanese.

What's the significance of the background? Simply put, it is to say that American productivity is now generally on the rise again. Their management and workers are now closing ranks in their mutual interest of bigger (or some) corporate bank balances and job security. In short their work ethic is again worth emulating.

On this basis, having them here could do for other workers what the bauxite companies did for their employees thirty or so years ago. It taught them that work was and continues to be a honourable thing and that a worker at anything, like a skilled surgeon at the cutting table, could and should feel justifiable pride in his work. An American base here would accelerate the pace of this process.

The Political

Earlier I alluded to some genuine fears that some people would have about any military base here be it U.S. or Russian. (The only difference here is that I feel sure the PNP would see nothing wrong with a Russian base. It only becomes a problem if it is the USA--the goose that lays the golden egg from which so many of them have sucked in the past and continue even today).

One must respect the genuineness of these other people's fears. How, however do they stack up in the world of stark reality? The reality of the world is not different from that of two people whether they be neighbours, co-workers or rum drinkers who dislike each other with a passion. Civilized people will however co-exist and not malice each other simply because they hate each other's guts. In a situation like this it would appear somewhat stupid for one or the other to let his guard down lest the "adversary," like a politician, seize the opportunity of the moment.

The people like the Greens of West Germany and those lovely but utterly misguided British women who are campaigning against the US installation of Cruise and Pershing II missiles in Europe in the face of the Russian arms buildup fit somewhere in this scenario. They probably are quite genuine but common sense and the reality of politics, politicians and power seem to have escaped them completely.

Our PNP does not seem much if any different from them. They have fooled themselves and are attempting to fool the rest of us that we are not a part of the real world. They say we are non-aligned! I don't know what they mean. I don't think any of them knows what they mean either!

The reality of this world is that you are either with the West bloc or the East bloc. This in no way interferes with one's national identity and or integrity. France, England, Belgium and the US are of the Western Bloc. Do they not maintain their distinct national identities? And do their voices all say the same thing at the same time on the same issues? No! And what about the Eastern Bloc? Does any of them dare say anything on any subject at any time that varies from what Moscow says? "Then why can't our politicians (of a certain persuasion) be like" well, let's just say realistic and stick closer to the truth of the matter?

A Stray Poll?

It's a great pity that Dr Stone has given up his polling. Too bad if anyone did not like the result his recent polls were showing. I accepted them in the same way I accepted the others which were always so instructive.

But couldn't the Gleaner persuade him to "come out of retirement" and test the waters on the merits or otherwise of the Base Issue? The result, I feel persuaded to predict, would be a really useful public service.

CSO: 3298/714

CONTROVERSY CONTINUES OVER EXCHANGE CONTROL REGULATIONS

Chamber of Commerce Criticism

Kingston THE DAILY GLEANER in English 2 Apr 84 p 1

[Text] The Montego Bay Chamber of Commerce and Industry has described the implications of the Amendment to the Exchange Control Act as "both punitive and draconian."

A statement issued by the Chamber said it viewed the amendment "with grave consternation."

The Chamber said: "It is our belief that the amendment was proposed in undue haste, as certainly, it could have serious repercussions on the integrity and good intentions of officers and directors of companies."

The Chamber has also contended that "it is counter-productive at a time when there is a need for the stimulation of confidence, and greater effort on the part of the private sector to enhance the Government's economic recovery programme."

Consequently, it has recommended "an immediate withdrawal of the amendment."

At the same time, the Chamber has commended "the latest efforts by the Government of Jamaica to maximise foreign-exchange receipts, as clearly defined in the new regulations for all hotel and tourism related transactions to be conducted in Jamaican dollars," and has pledged to ensure that the new system works.

Cabinet Unrest

Kingston THE DAILY GLEANER in English 5 Apr 84 p 5

[From the anonymous column "Listening Post" signed "The Listener":
"Cabinet Ploy"]

[Text] I hear that there is talk of unrest in the Cabinet as some members, worried about the economic crisis, try to distance themselves from decisions taken on economic policies hoping thereby that the fire of criticism will be aimed at the Prime Minister and not the Government. So far they seem to be succeeding as most if not all of the criticisms from the Private Sector on the malaise in foreign exchange (no f.e. budget in the third month of the year) and the frequent shifts in policy are levelled at the Prime Minister.

Criticism of Seaga

Kingston THE DAILY GLEANER in English 6 Apr 84 p 8

[From Morris Cargill column: "Danger in Grenada, Confusion in Jamaica"]

[Text] If anybody can make any sense of the present spate of new exchange control and financial regulations, he is a better man than I am, Gunga Din. There are horror stories about firms with export orders being unable to fill them, not only because of shortage of foreign currency to pay for raw materials, but because of conflicting bureaucratic rulings. As to the dollar auction, this is a kind of double bind. Among other things you cannot bid until imported goods are permitted, contracted for and invoiced and you cannot contract for them until you have the dollars to pay for them. Which means that countless firms are running around in ever decreasing circles while the bureaucrats stick out a foot to trip them as they pass.

More horrific is that the banks have suddenly run out of liquidity. They have, so they say, no Jamaican money to lend Jamaicans, the public sector having soaked up most available cash, presumably to pay for the huge losses being made by the vast majority of government corporations. This is just about bringing everything to a grinding halt. No bridging finance, no advances to go on with a contract to completion. Cooling down the economy is one thing, but this is drowning it in a lake of iced water.

In the meantime, each week the value of the Jamaican dollar inches downwards at the Alice-in-Wonderland auctions. The value of the Jamaican dollar, says the Queen, or whoever it is at the Bank of Jamaica who is supposed to say it, "Is exactly and precisely what I say it is, no more and no less." Nobody has yet explained to me how you can have an auction when the limit of the top bid is prescribed beforehand.

What is really happening, at least in this instance, is that our crawling-peg devaluation continues. In a week or two, the top price will go from 3.85 to 4, then in another week or two to 4.25 or something of the sort, until the Jamaican dollar reaches its true market value. Until then, people will hold back the sale of U.S. dollars, knowing that the exchange rate is ever moving in their favour.

The Bank of Jamaica proposes. The black market disposes. When will it be fully realized that it is the government itself, with all its panoply of ridiculous and expensive boards and miles of red tape which is the major force in throttling private enterprise and the development of our economy? Mr Seaga originally claimed to be a lover of private enterprise. All men (as Oscar Wilde observed) kill those they love. Mr Seaga seems no exception.

Government-Private Sector Accord

Kingston THE DAILY GLEANER in English 7 Apr 84 pp 1, 3

[Text]

THE GOVERNMENT and the private sector have reached agreement on an alternative measure to the controversial amendment to the Exchange Control Act.

The Leader of Government Business the Hon. Dr. Ronald Irvine told the Senate yesterday that an alternative proposal has been found acceptable by both sides, which may prove to be more effective than the present amendment.

Senator Irvine said that to enable the new amendment to be prepared, the present amendment would be allowed to lapse with the prorogation of Parliament and the new legislation introduced when Parliament resumes in May.

The Minister also countered arguments that the present Bill was "unconstitutional." He said that neither the Attorney General nor the legal representatives of the Private Sector Organization of Jamaica who discussed the issue with the Prime Minister, shared the view.

"The Government nonetheless is pleased that an alternative provision has been jointly prepared, which will avoid continuation of the use of a provision which shifts the burden of proof of innocence to defendants, where it has been found necessary over the years to do so as a last recourse in dealing with critical situations demanding strong legislative powers," Dr. Irvine said.

Several persons and groups including the Bar Association of Jamaica had opposed Section 3(6) of the Bill. The Bill was passed in the House of Representatives on March 20, but was not debated in the Senate.

The offending paragraph of the Bill read:

"Where an offence punishable under this section has been committed by a body corporate, any persons who at the time of the commission of the offence was director, general manager, secretary or other similar officer of the body

corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence, unless he proved that the contravention was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances."

The Bill sought to amend the Exchange Control Act in order to empower the Minister to issue instructions to persons engaged in any trade or business whereby foreign exchange or gold is remitted to Jamaica and offered for sale in the manner specified by the Minister in the directions.

Persons who fail to comply with any directions of the Minister would be liable--(a) on conviction in a Resident Magistrate's Court, to a fine not exceeding \$50,000, or to imprisonment for a term not exceeding two years or to both; and (b) on conviction before a Circuit Court, to a fine not exceeding three times the value of the gold or foreign currency or \$100,000 whichever is the greater, or to imprisonment for a term not exceeding ten years or to both fine and imprisonment.

The Bill was tabled and piloted through the House by the Prime Minister and Minister of Finance, the Rt Hon Edward Seaga.

Senator Irvine's statement follows:

"At the invitation of Prime Minister Edward Seaga, Private Sector representatives have had regular meetings with the Government on the Amendment to the Exchange Control Act which is now before the Senate for passage.

"It is contended that the Amending Bill shifts the burden of proof of innocence to the defendant contrary to the normal principles of Law.

"Although this very provision already exists (in some cases for more than 40 years) in several other Laws of Jamaica, and indeed, already exists in the Fifth Schedule of the very same Act which is now to be amended, the Government considers that if alternative legal provision can be constructed which will have the same or greater effect of placing upon the leadership of corporate enterprises the legal obligation to ensure that proper systems are set up to enable foreign exchange earnings by the corporations to be sold to the Bank of Jamaica as required by Law, then the particular provision which has caused so much apprehension or concern can be avoided. Indeed, Government is reconsidering not only the particular provision, but existing provisions, already in the Schedule.

"To this end, the Prime Minister has chaired meetings with the Attorney General, Hon Winston Spaulding, Senator the Hon Hugh Hart, who is responsible for the Bill in the Senate, Senator Dr Ronald Irvine, Leader of the Senate, the Solicitor General, Dr K. Rattray, the Chief Parliamentary Counsel, Mr O.D. Marsh and his associates, together with P.S.O.J. President Mr Sam Mahfood, Hon Leslie Ashenheim and Mr Louis Byles, as legal representatives of the P.S.O.J., to review the legislation with a view to constructing an acceptable alternative with equal effectiveness.

"I am pleased to report that the team now has an alternative proposal acceptable to both sides which in fact may prove to be more effective than the present amendment.

"Accordingly, to enable this new amendment to be prepared, the present amendment to which there is objection will be allowed to lapse with the prorogation of Parliament and the new legislation introduced when Parliament resumes in May.

"The Government wishes, however, to refute any argument that the present Bill is unconstitutional. Neither the Attorney General nor the P.S.O.J. legal representatives shared this view. The Government nonetheless is pleased that an alternative provision has been jointly prepared which will avoid a continuation of the use of a provision which shifts the burden of proof of innocence to defendants, where it has been found necessary over the years to do so as a last recourse in dealing with critical situations demanding strong legislative powers.

"The new Bill will avoid these problems while providing strong and effective controls."

Parliamentary Debate

Kingston THE DAILY GLEANER in English 9 Apr 84 p 7

[Text]

The Government has been asked to take steps to ensure that where bills are settled by credit-cards and personal cheques in the tourist sector, the proceeds are returned to Jamaica.

Member of Parliament for West Central St. Mary, Mr. Neville Murray, made the request in the House of Representatives on March 27, during the debate on a motion raising the limit on Treasury Bills from \$500 million to \$750 million.

Mr. Murray, the Minister of Labour, the Hon. J.A.G. Smith, the Minister of State for Industry and Commerce, the Hon. Karl Samuda and the Member of Parliament for East Central Kingston, the Hon. Ryan Peralto were contributors to the debate on the motion. The motion was moved by Prime Minister and Minister of Finance, the Hon. Edward Seaga.

During the debate Mr. Seaga addressed the question of the credit squeeze and the fact that the banks had disrupted the process by lending \$150 million in January, compared to

their regular January average of \$20 million. He also explained that the new measures were necessary to reduce funds available for the purchase of black market foreign currency.

Mr. Murray said that he was concerned about the use of credit-cards and personal cheques in the tourist sector which were drawn on foreign accounts, since the introduction of the new payments system in the tourist sector which calls for the payment of bills in the sector with Jamaican dollars.

He said that there was no guarantee that the bills would be paid in Jamaica, even while the debt is incurred here. He said that the Government should ensure that the country was protected under any credit card treaties that existed. He said that for example, personal cheques could be sent abroad and lodged. He invited the Ministry of Finance to look closely at the matter.

The Hon. J.A.G. Smith said that it was very important how the credit

policies were interpreted at the managerial level at the banks.

He said that the bankers should be very careful how they managed their economies, because whilst the Government could do much in the area of credit control, it could not do everything. He said that whatever the policy, it would require the willingness of those who control credit programmes to make it work.

He appealed to the banks to see how best the limited credit that was still available could be applied to benefit the country on a whole.

Mr. Ryan Peralto said that the problems affecting the Government's policies in the area of credit and foreign exchange control, were due either to a lack of understanding of the policies, or the refusal of those directly affected to accept the policies, resulting in the tardiness of the policies to work.

He said that the choice the country had, was between free market and centralization, and while the JLP was committed to the free market system, if its efforts were to be frustrated by misdirection in certain areas they would appear counter-productive.

Mr. Peralto warned the private sector that whatever benefits they might accrue by taking advantage of the loopholes in the system would be short-lived.

He said that he had heard the cry that the Government was re-introducing restrictions, but he said that it was the people who were breaching the policies who were encouraging the re-introduction of restrictions.

He said that if the Government's policies were allowed to work free of the exploitation of the loopholes, they would provide the continuity of progress which would lead to a freer society.

The Hon. Karl Samuda, said that he was distressed and disturbed over the fact that the Minister of Finance has had to take certain measures to control foreign exchange earnings.

He said that it was distressing that the Government finding itself having to take those measures to restrict credit, now found itself in the situation where the banks had taken disadvantage of that situation by increasing

its credit disproportionately in January.

He said that it was commendable that pressure had been brought to bear on the banking system in view of the situation which had arisen, but that he thought that it was going to make things extremely difficult over the next few months.

He said that the Government should go further and ask the banks to look at the lending portfolios and offer the available credit to the productive areas and not for the purchase of consumer items. he said that he was not certain to what extent that situation was being monitored, but it was necessary.

He said that until the country reached the stage where the banks accept their responsibility in working for economic recovery, there would be problems.

He said that he hoped the new measures would go a far way in bringing to their attention the importance of lending portfolios and credit to the productive areas. he said that he sincerely hoped that the banks would play their part in making the new system work.

MANUFACTURERS NOTE CONCERN OVER NEW TAX MEASURES

Kingston THE DAILY GLEANER in English 9 Apr 84 p 1

[Text]

THE JAMAICA MANUFACTURERS' ASSOCIATION (JMA) has expressed concern at the effect the new taxation measures will have on the manufacturing sector.

Responding to a \$138-million taxation package tabled in the House of Representatives last Tuesday and aimed at boosting revenues, the JMA called on Government to reconsider the new stamp duty to be placed on raw materials, as announced in the House.

In a statement issued on Friday, JMA President R. Anthony Williams indicated that the manufacturing sector's main concern is the 6% increase of the stamp duty on imported raw materials which is expected to raise an additional \$37 Million for Government revenue during fiscal year 1984/85. The JMA in its statement said further:

"It was noted in Ministry Paper Number 15 that raw materials for export manufacturing are included in a list of eleven areas where this 6% increased duty would not be applicable. It was our understanding however, that the exempted export manufacturers related to in the Ministry Paper are those manufacturing goods for exports in the following categories only:-

1. To the U.S.A. under item 807 of the U.S.A. Customs Tariff.
2. Under Jamaica's Export Encouragement Incentive Laws.

All other manufacturers whether exporters or not will have to pay the new increased duty at the ports of entry on raw materials.

We do not believe that manufacturers and especially exporters should be required to pay this increased stamp duty in light of the desire of the country for a dramatic increase of production and exports.

The ceiling on bank credit imposed by Bank of Jamaica earlier this year has meant that manufacturers have been undergoing extremely tight working capital situations. This has been recognized by Government and as a consequence a discount facility is to be set up by Bank of Jamaica as a means of temporarily easing some of the Commercial bank liquidity problems and so to permit them to respond to the working capital needs of the productive sectors of the economy.

In view of the fact that the discount facility is not yet in place any increased financial demand on manufacturers such as this new 6% duty will prove harmful to their operations.

The increased stamp duty on imports will have the effect of increased final prices of some manufactured goods by amounts ranging from 2.8% to 3.6%. It should be noted that profits from exports are oftentimes way below normal viability levels.

In view of this, the additional cost of the new stamp duty on imports would deliver a stiff blow to some Expo exhibitors and others who are negotiating or have accepted export orders recently.

The Jamaica Manufacturers' Association is calling on Government to reconsider the imposition of this new stamp duty on raw material imports with a view of ensuring that production and exports are not seriously affected or reduced.

NEW TAX INCREASES DESIGNED TO REDUCE BUDGET DEFICIT

Kingston THE DAILY GLEANER in English 5 Apr 84 p 1

[Text] One of the main purposes behind the introduction of the latest tax measures is to reduce the deficit in the Budget.

This was stated in the Ministry Paper, No 15, which was presented in Parliament on Tuesday by the Prime Minister and Minister of Finance, the Rt Hon Edward Seaga, setting out the taxation package.

Following is the relevant portion of the Ministry Paper dealing with this aspect of the matter:

"These measures are expected to yield \$138.50 million in additional revenue in order to make a meaningful impact on the reduction of the Budget deficit.

"The deficit, which escalated from 3.7 percent of G.D.P. (Gross Domestic Product) in 1971/72 to the critically dangerous level of 17 percent of G.D.P. in 1980-81, has been reduced on a moderate basis over the past three years but must be dramatically reduced to a single figure level in this financial year, as I shall explain in the presentation of the Budget."

As we published yesterday, the presentation of the Budget is set for May 22 next.

Text of the Ministry Paper appears today on Page 7.

CSO: 3298/715

GOVERNMENT PLANS TO INCREASE COMPANY REGISTRATION FEES 600 PERCENT

Kingston THE DAILY GLEANER in English 5 Apr 84 p 2

[Text] The Government is proposing to increase the fees for registration of companies by the Registrar of Companies by about 600 percent, the Minister of Industry and Commerce, the Hon Douglas Vaz, told the House of Representatives on Tuesday.

Mr Vaz was speaking in the debate on a Bill tabled by him seeking to amend the Companies Act, to authorise the Registrar of Companies to delegate to officers of the Registry the power to carry out the functions assigned to him by any enactment and to remove the restriction on the Minister's power to increase fees payable to the Registrar for various purposes. The Bill was passed by the House.

The Minister said that in 1967 when the Act was promulgated, in the case of the registration of a company limited by shares where the share capital was not in excess of \$4,000, the fee payable would be \$4. He said that those fees had remained in force since and had no bearing on the cost of operating the Registry.

In the circumstances, it was proposed to increase the \$4 fee to \$25 and other fees in similar proportions, in the light of the increases in the cost of goods and services. The proposed increases should not be considered unreasonable in view of the astronomical rise in the cost of the provision of goods and services.

Giving a breakdown of the income of the Registry since it was established in 1967, the Minister said the amounts collected each year were: just over \$1 million in 1975/76 and 1976/77; in 1977/78 \$1.1 million was collected; in 1978/79, 1979/80 and 1980/81 it was \$1.3 million; in 1981/82 it was \$1.56 million; and in 1982/83 it was \$1.75 million.

Mr Vaz said that the figures represented collections under the various Acts administered by the Registrar of Companies, including the Companies Act, Industrial and Provident Societies Act and the Trade Marks Act. However, the greater portion of the sums represented fees paid by companies and industrial and provident societies based on value of their assets.

He said that the revised fees would cover some 19,473 companies which were on the Register.

He said that the annual registration of companies by the Registrar since 1975 had shown a tremendous resurgence of business in the first two years of the JLP Administration. The increases were: 1975--1,067 registrations, 1976--678 registrations, 1977--528 registrations, 1978/79--673 registrations, 1979/80--662 registrations, 1980/81--937 registrations, 1982/83 2,113 registrations, 1982/83--2,278 registrations.

Mr Vaz said that as the Act now stood, once the Registrar was absent the work of the Department was seriously delayed and certain certificates could not be issued. With the amendment to the Act allowing the Registrar to delegate authority, the work of the Department would not be affected by his absence.

The Leader of the House and the Minister of Labour, the Hon J.A.G. Smith, in his contribution to the debate, praised the "courtesy, appreciation and diligence" showed by the Registrar and her staff since 1975.

Mr Smith said, however, that he was surprised that the income of the Registry had not moved beyond \$1.75 million in 1983, despite the large increase in the number of registrations. He said that the figures did not reflect the work being done by the Registry and could be ascribed to accounting shortfall.

He said that the amendment did not explicitly authorise the extension or revocation of the delegated function, but defined that notice of any revocation or extension should be published in the Jamaica Gazette.

He said that any increase in the fees paid would be subject to the approval of the House and therefore the removal of the restrictions on the Minister would not mean opening the door to a flood of increases.

Closing the brief debate, Mr Vaz said that the fact that income was not increasing commensurate with the increase in registrations in the last two years which he dealt with, was caused by an anomaly existing since 1967.

He said that the greater proportion of the income was represented by fees paid by the companies and industrial provident societies based on the value of their assets, which meant that there were very few companies picking up the larger portion of the bills.

CSO: 3298/715

EXPORT CROPS NOT FULLY EXPLOITED FOR CURRENCY EARNINGS

Kingston THE DAILY GLEANER in English 4 Apr 84 p 8

[Article by Carl Stone]

[Text] When the JLP was in opposition, one of its favourite lines of criticism against Manley's PNP government was that the PNP was presiding over a severe deterioration in export agriculture.

As part of its "deliverance promise" when it sought the support of the Jamaican people to remove Manley and the PNP from office, the JLP undertook to revitalise export agriculture. However, both the reactions of cane and banana farmers and the production statistics for export agriculture confirm that not much has changed in this area of the economy since 1980.

The sad fact is that Jamaica has guaranteed markets for these commodities and no marketing cost or advertising expenses have to be incurred to sell more sugar and more bananas. The prices are good and the country needs the foreign exchange, yet we have not been producing enough to come anywhere near to meeting our quotas on the EEC market.

Any banker approached by the Jamaican Prime Minister to lend money to this country should certainly want to know how come a country that is so starved of foreign exchange can afford to pass up opportunities to earn hard currency from these traditional export crops.

Two letters published recently in the Gleaner, one from a sugar producer and another from a banana grower put the issue very sharply in questioning how far this government expects cane and banana growers to remain in the business when they continue to lose money year after year due to no fault of their own.

Staggering

The decline in production in export agriculture has really been quite staggering as the following figures show for the period up to when the Manley government lost power.

	1965	1970	1975	1980
cane	4.7	4.0	3.5	2.7
millions of tons				
banana	20.2	15.5	9.3	4.2
millions of stems				
citrus	4.3	3.5	2.1	2.2
millions of boxes				
coffee	4.8	4.0	2.6	2.9
millions of lbs				

The 1982 survey tells us that both sugar and banana production continue to slide and that only coffee and ginger among the traditional export crops are showing any positive upward trend.

It is interesting to note that in the Prime Minister's recently published review of his government's economic performance, much is made to the decline in bauxite earnings but no attention is given to our inexcusable failure to earn more foreign exchange from these traditional crops by producing more than the extremely low levels into which output has fallen over the years.

The estimates for 1984 production offer not even a faint glow of optimism as growers are dissatisfied, the incentive to produce remains low and problems continue to plague production.

The problems are not difficult to discern and the farmers have been griping about them constantly but no real solutions have been forthcoming.

On the production side these farmers (although earning foreign exchange) have never been able to get constant and adequate supplies of crucial fertiliser, weedicides, fungicides, chemicals and other related items to sustain high levels of yield. The supply situation may be a little better than it was in the 1970's but the harsh fact is that continued gaps in these supplies have had serious negative effects on production levels. These supply gaps decrease the profitability of export agriculture.

When you take into account the fact that this government has borrowed more than the earlier PNP government and certainly up to mid 1983 there was more foreign exchange available here than in the 1970's, it becomes clear that the various systems of foreign exchange allocation since 1980 have not been geared to ensuring that this important foreign exchange earning sector gets the vital supplies it needs when it needs them, to maximise productivity and profitability.

The present system of auctioning foreign exchange more than any other perhaps guarantees that export agriculture is going to be starved of the crucial import supplies it needs to increase production. As one farmer said to me recently, what kind of rational system of foreign exchange allocation could channel scarce U.S. dollars to insurance companies when banana growers can't get fertiliser or weedicides?

The more fundamental problem however, relates to price and earnings. What these farmers get for what they produce is less than it costs them to produce it and they are not guaranteed the necessary inputs (chemicals, fertiliser, etc) when they need them to increase output and reduce unit costs of production. As these farmers have lost money over the years, those who are less committed to these crops have shifted to other crops where the rate of return on their investment is considerably better. Of course, some have moved to domestic crops and this is especially so with the smaller farmers. The result is that there is a net shift from export to domestic production which is the very opposite of what the government's economic policy is trying to achieve through Agro-21.

Resentment

Considerable resentment is building up in both the sugar and banana areas among growers who are coming to the view that the government ignores their needs while taking care of government backed projects. The CDC funded St Thomas banana project involving United Brands, the Banana Producers Association and the Government has all the foreign exchange it needs to acquire imported supplies while the majority of the other banana farmers are left out in the cold.

In sugar, the growers resent the fact that the government subsidises inefficient government owned factories while denying the grower a fair price that can cover their costs of production.

Increasingly, the view coming from farmers suggests that while the Minister of Agriculture is responsive and sympathetic to their plight he seems to have no real power to change anything. The gut feeling out there is that the Prime Minister and Minister of Finance is the man who makes these decisions and that he is not only not listening to the farmers but seems to them to be so fascinated with imported high technology by foreign companies that he has completely lost any feeling for or interest in what has been happening to these local farmers who have kept these ailing industries from dying over the years.

When one considers that the farmer takes all the risks and gets so little of the earnings that accrue from the export of these crops, it is mere faith and optimism which has kept many of these farmers in the business. In banana, for example, the farmer only gets about 25 cents out of every dollar turned over by banana exports yet it is the farmer who takes all the risks.

Clearly, incentives have to be provided to stimulate increased production of these crops. The farmer has to get a larger bite of the revenue cake and must be assured year round of adequate imported supplies to maximise output. While we seek to encourage foreign investment, it is a major error to conduct our business in a fashion that gives local farmers the impression that they don't count.

Failed Miserably

The government has failed miserably to provide adequate leadership and policies that are likely to motivate production in many areas of traditional export agriculture.

I disagree with those who argue for the dissolution of marketing boards in export agriculture. What we need are marketing bodies that are controlled by growers and not by politicians and technocrats who as my friend Perkins correctly suggests invariably end up becoming bureaucratic milestones around the farmer's neck.

It's high time that the JLP and the Prime Minister got their act together to arrest the continuing slide in export agriculture.

CSO: 3298/716

PNP URGES GOVERNMENT TO REVIEW PLANNED FOOD PRICE INCREASES

Kingston THE DAILY GLEANER in English 9 Apr 84 p 3

[Text]

SATURDAY'S NEWS REPORT on forthcoming increases in the price of food items has been followed up by a statement from the People's National Party calling on the Government to re-consider the decision to remove these items from import licensing.

According to Miss Portia Simpson who speaks for the P.N.P. on Consumer Affairs, the Party has learnt that, as part of its programme of deregulating the Jamaican economy, the government has submitted to the Trade Board a list of 65 items which will no longer require licences.

Among these items are sardines, pickled mackerel, corned beef, the P.N.P. statement said. The Jamaica Commodity Trading Corporation will no longer import these but they will be imported by private sector traders.

"This means that these items, which form a part of the basic diet of the Jamaican people, will now be imported at the current rate of \$3.70 to the U.S. dollar instead of the rate \$1.78 to the U.S. dollar at which the Jamaica Commodity Trading Corporation used to import these items", the P.N.P. statement said.

"The jump of \$1.92 on the price of these items will result in runaway inflation. It means that the cost of living will sky-rocket much further than the 40% at present. This will also mean that those at the bottom of

the economic level will be pushed much more closer to starvation."

The statement called on the Government "to ensure that the subsidy on basic items remain, that the Jamaica Commodity Trading Corporation retains responsibility for the importation of staple items, that a portion of the recently-imposed taxation be used to further subsidise basic items and that the National Minimum Wage be substantially increase without delay."

A re-thinking of the removal of these items from licences was also called for.

NATIONAL SUGAR COMPANY CUT OFF FROM PUBLIC FUNDS

Broderick Call for Efficiency

Kingston THE DAILY GLEANER in English 3 Apr 84 p 2

[Text]

A decision will be taken shortly regarding those sugar factories in the public sector where continued inefficiency places the cane-farmer in a non-viable position.

This was stated by the Minister of Agriculture, the Hon. Dr. Percival Broderick, at a meeting with the Executive Committee of the All-Island Jamaica Cane-Farmers' Association led by the chairman Mr. T. G. Mignott, on March 29.

Mr. Mignott pointed out that the present price paid to farmers for their canes was inadequate to cover the average cost of production of the majority of farmers'

canes.

Dr. Broderick reminded the meeting that after the end of this month the industry could not expect any further financial support from the public purse and as a result any pricing policy must be geared towards efficiency.

The Minister emphasised that the industry could only survive if farmers improved their productivity in the fields and the factories operated efficiently with a satisfactory level of cane supplies.

A number of ways by which the cane price to the farmers could be increased were raised and discussed by the cane-farmers. The Minister promised that these would be further explored and another meeting convened.

Government Decision

Kingston THE DAILY GLEANER in English 5 Apr 84 pp 1, 3

[Text] A decision has been taken by the Government that the public sector cannot continue to support the National Sugar Company from the national Budget, according to information coming from sugar industry sources yesterday.

According to the sources, the sugar industry has been off the Budget since Saturday, March 31.

Questions directed at the National Sugar Company produced a "no comment" response, but the word in sugar-producing circles was that the six sugar factories previously financed partly from the National Budget have been removed from it. As the report has it, the plan is to reorganise the running of these factories in order to make them viable and self-sustaining and in the case of those where viability cannot be achieved, to close them down.

During his speech launching Farmers' Month 1984 at yesterday's monthly meeting of the Board of Management of the Jamaica Agricultural Society, the Minister of Agriculture, the Hon Dr Percy Broderick commented on the state of the sugar industry.

While he made no specific statement about any plans to remove the six public sector sugar factories from the Budget, except to say that for the future "the sugar industry will have to live with what it earned," the Minister made the point that the industry had "gone full circle--through growth and now declining production."

Dr Broderick added that he wished farm leaders to bear in mind that whatever happened to the sugar industry would impact on thousands of small farmers.

So far as markets were concerned, he said, the sugar industry did not have a problem: it was a well-known fact that the industry had firm markets for 300,000 tons of sugar, made up of 265,000 tons of firm orders from the European market, the U.S. market and the local market, and 35,000 tons of buffer stocks.

The four private factories produced some 60,000 tons of sugar with additional capacity for 20,000 tons; and the six public-sector factories, which had a capacity for over 400,000 tons, were presently producing less than 160,000 tons.

For the future, said the Minister, it would be necessary to work out how much land was needed to devote to the production of sugar-cane, and what factory capacity was needed to process the sugar-cane so produced. Against this background, one had always to bear in mind that the overheads were high--and were fixed.

Dr Broderick took issue with "recent utterances about Government attempting to aid the publicly-owned factories which were inefficient, while denying aid to private factories which were efficient, productive and profitable." He charged those who made such statements with presenting such economic argument "when it suits them."

He also noted that "statements were now being made in favour of the continued involvement of the inefficient factories inside the sugar industry." However, he said, neither of these two statements had passed without his notice.

What was more, he and everyone in the sugar industry knew that earnings within the sugar industry was dependent on efficient milling and on the production of good quality, clean canes being delivered to the factory. At the same time, he was quite aware that there was a problem with the 'ancient' sugar mills in some of the factories.

Dr Broderick spoke of the recent increase in the price of cane to the farmers, the importance of aiming at a tons cane/tons sugar ratio of at least 10 to 1 and the corruption which was practised in some factories "when paper cane begins to enter."

For the future, he said, the public-sector sugar factories would have to learn to live off what they earned, as he pointed to the debt owed by the six, to the debt left by the sugar industry co-operatives, and to the projected debt for these factories during 1983/84.

The sugar industry, he said, had a total debt of \$250 million; the co-operatives had left a debt of \$87 million; and it was projected that during 1983/84, the six public factories would end the crop with a debt of \$83 million.

Checks made by the Gleaner yesterday revealed that one of the conditions which the International Monetary Fund had insisted on as a pre-requisite for the latest agreement worked out between itself and the Government was the removal of the debt of the public-sector segment of the industry (National Sugar Company) from the national Budget.

CSO: 3298/716

REPORT ON ACTIVITIES OF AGRICULTURAL CREDIT BANK

Kingston THE DAILY GLEANER in English 7 Apr 84 p 12

[Text]

THE Agricultural Credit Bank lent to the People's Co-operative Banks funds amounting to \$28.4 million — some 23 percent above the targeted figure for 1983/84. These funds were made available to 39 affiliated People's Co-operative Banks for onlending to their farmers-members.

The largest loan of \$3.6 million went to the Christiana PC Bank and the smallest — \$58,000 — to the St. George's PC Bank in Buff Bay. Loans to the People's Co-operative Banks averaged \$72,000, the average loan size of the farmer being \$4,600. A large percentage of the \$3.5 million to the Christiana PC Bank was used to finance the Christiana Potato Growers Co-operative.

To accomplish this, the Agricultural Credit Bank invested heavily in a human resource development programme to upgrade managerial skills, the level of competence of members of the Managing Committees, as well as professional standards of the Agricultural Credit Bank's Head Office and field staff.

This exercise is continuing, and great emphasis is being placed on improving managerial capabilities at the PC Bank level to handle the increased volume of funding through intensive on-the-job training, guidance and supervision.

● As a result of the increased volume of funding through the People's Co-operative Banks at unprecedented levels, Managing Committees are being encouraged to reinforce and support the Managers of these banks.

Loans to farmers who do not qualify at the People's Co-operative Bank level because of size and asset restrictions, amounted to \$26 million. These loans were routed through the commercial banking system.

● At the end of March, 1984, the total loan portfolio of the Agricultural Credit Bank amounted to \$54.4 million disbursed, and \$62.9 million committed.

The Agricultural Credit Bank has developed a management information system to monitor performance in the field and to expedite the provision of credit to small farmers on a relevant and cost-effective basis.

BRIEFS

VENEZUELAN AIRLINE CUTBACK--Viasa Airline, which operates twice per week out of Montego Bay to Caracas, Venezuela, is to suspend regular flights effective immediately, pending the outcome of discussions with the Minister of Public Utilities and Transport, the Hon Parnell Charles, as to the future operations of the airline. In an interview, the general manager, Mr Jose Ferrer, denied reports that the company had decided to pull out of Jamaica. He said that the future operations of Viasa in Jamaica would be dependent on the outcome of discussions which were being held between the company and Mr Charles. The airline executive said that the suspension of scheduled flights did not mean a total close-down, as the airline would be flying "on demand." There were a number of bookings for the months of April and May, he said, and the airline stood committed to those bookings. Mr Ferrer added that over the past weeks the company has been having top-level meetings with Ministry officials and he expressed the hope that the Government decision would ensure the continuation of the local service by the Viasa which began operating here in 1981. [Text] [Kingston THE DAILY GLEANER in English 2 Apr 84 p 1]

CRITICISM FROM AUDITOR GENERAL--No evidence of tenders at Ministry of Construction (Housing Division). The auditor general reports "The following control weaknesses were observed in the administration of contracts awarded by the Division--(a) There was no evidence of tenders being invited on a competitive basis; (b) performance bonds were not executed by contractors to protect Government's interests; (c) contract documents did not appear to be scrutinised by the Government's legal officers to ensure the protection of the Government's legal interest; (d) work programmes were not submitted by contractors for approval before commencement of work; (e) the lack of variation orders and other adequate documentation in support of cost overruns, and (f) the absence of written approval for time overruns and non-enforcement of liquidated damages clauses. Although the Division is not presently subject to the procedures of the Government's Contracts Award Committee, it is my view that the above mentioned conditions should be instituted to improve the arrangements for the award and monitoring of contracts. [Text] [Kingston THE DAILY GLEANER in English 31 Mar 84 p 3]

CSO: 3298/717

MARTINA CRITICIZES DUTCH VIEWS ON SOLIDARITY FUND

Willemstad AMIGOE in Dutch 21 Mar 84 p 3

[Article: "Prime Minister Don Martina: 'The Naked Truth': Attitude of The Hague Unacceptable"]

[Text] Willemstad--"That is unacceptable to us as the Antillean government." This was the reaction this afternoon by Prime Minister Don Martina to the position taken by Minister Jan de Koning that the Netherlands can contribute at the most 10 percent to the Solidarity fund after the secession of Aruba.

A quick consultation took place this morning at Fort Amsterdam between representatives of the central government and delegates from Curacao, Bonaire and St Eustatius concerning the problems which have flared up anew around the Solidarity fund. Saba's representative, Will Johnson, could not be present this morning and Mr Claude Wahey from the DPWI [Democratic Party Winward Islands] sat at the state meeting, from which Prime Minister Don Martina was forced to be absent (the meeting of parliament was adjourned around noon until two o'clock in the afternoon in part because of this; at that time, the government will come and respond to remarks made by members of parliament concerning the partial suspension of vacation pay for civil servants--Editor).

It was the Curacao Chamber of Labor Unions that was the first to cause a great flutter this week. Based on a report done in January by a commission headed by Mr Carlos Dip and on discussions with other experts, concern grew among unions about the consequences of secession by Aruba from the Antillean league of states, especially for Curacao. Urgent appeals were therefore made to politicians on Curacao to leave as is the planned political talks at the beginning of next month, under the direction of Minister Mr Ralph Richardson of Political Structure on St Martin. According to the unions, the entire accelerated process of political change must be stopped and be reevaluated, in order to then examine what should be done. That could lead to a stopping of the clock.

In political circles on Curacao, this reaction is seen as somewhat rash, because it is grist to the mill of Aruban politician Betico Croes. Here he has the opportunity to again portray Curacao as the wrongdoer who always

causes trouble. Croes gives evidence of this today in his telegram on the address by Prime Minister Ruud Lubbers. Moreover, it was precisely the intention of the five remaining islands to exchange ideas about this at the summit meeting.

On top of all this now comes the confidential memo from Minister De Koning, leaked to AMIGOE. In it, the blows that Curacao stands to suffer after secession by Aruba are indicated more concretely. Specifically, if the Netherlands contributes only 10 percent, this means that Aruba and Curacao will have to attend to the remaining 90 percent. Thus, the Hague manages a ratio of one to two and a half, which means that Aruba assumes approximately one quarter and Curacao approximately 60 percent of the total costs, relative to the budgetary needs of the smaller islands Bonaire, St Martin, St Eustatius and Saba.

Furthermore, Mr Dip pointed out that the composition of donors to this Solidarity fund is itself strange. There are two outsiders making donations--regardless of the degree to which they are contributing--namely, Aruba and the Netherlands. The third donor, Curacao, forms part of that union of the Antilles of the Five, together with the small islands who hold their hands outstretched. That puts unevenly heavy pressure on Curacao to come up with finances, while it leaves the possibility open for the Netherlands and Aruba to withhold their support when the occasion arises. Moreover, not a single way can be seen of sanctioning Aruba, for example, if that island--in part through its own lack of monetary means--makes its contribution.

The small islands have made a big fuss over this question during the past few days. They have said that the developments on Aruba and Curacao are not such that any guarantee of financial support now and in the future can be wangled. Hence, the DPB [expansion unknown] of St Martin even went so far as to suggest to Minister Richardson that the summit meeting in April be abandoned until there is clarity concerning the Dutch contribution to the Solidarity fund. The small islands have insisted from the beginning that they continue to point to the Netherlands as the most important donor, on whom all depends.

At last year's RTC [Round Table Conference], this was the only point on which all six Antillean island delegations and the Dutch held the same line: that the contribution made by the Netherlands to such a fund must be "substantial." That can even be found in the minutes of the meetings. The Netherlands had initially drawn up several confidential internal documents concerning this, from which AMIGOE subsequently quoted, from The Hague. These documents indicated the sort of ratio of contribution that has now again been suggested. But in view of the state of affairs at that moment, the Netherlands relinquished presenting this as concrete proposal at the conference, knowing that it would be swept from consideration in one fell swoop by all the delegates, this time including Aruba. It is

considered more advisable in the Dutch way of thinking to sustain that for a later date if work is to be done on the elaboration of the agreements in principle made at the RTC.

Prime Minister Martina, confronted today with the latest Dutch position, declared in response to questions that he can speak on behalf of the Antillean government. This morning, moreover, he had the opportunity to hear the opinions of Curacao, Bonaire and St Eustatius on this. He also then believes that he can speak on behalf of St Martin and Saba in this respect when he says that this is "unacceptable" for the Antilles. He let it be known that all the islands warned the Netherlands about this last year at the RTC. "That is the naked truth," the prime minister said.

12271

CSO: 3214/116

HUDSON-PHILLIPS, PANDAY AT JOINT MEETING, HIT GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 11 Apr 84 p 3

[Text] Karl Hudson-Phillips, Political Leader of the Organisation for National Reconstruction (ONR), said on Monday night that every single institution in the country has collapsed since the death of Prime Minister Eric Williams in 1981.

Addressing a meeting of Diamond Vale, Diego Martin, organised by the National Alliance, the ONR leader said since Dr Williams's death, the Government squandered the money.

He said that in less than three years, the population had realised that Trinidad and Tobago was without leadership and direction and the people in the country were ripe and ready for a change.

Mr Hudson-Phillips said that the situation in Trinidad was as serious as the situation in Jamaica was in 1976. He said the economic situation could become worse and this country could end up like Guyana.

"What is needed here now is a united force to remove what is presently on our back--the PNM Government. This country cannot take a re-election of the Government," he declared.

Opposition Leader Basdeo Panday told the gathering that Government spent \$40 billion over the last ten years, but they still failed to supply a proper electricity and a water supply system to the country.

Speaking at Diego Martin for the first time, the Opposition Leader said the ruling PNM lacked foresight, planning and initiative for planning.

He said the price of freedom was eternal vigilance. "We have lost our freedom, nobody today can get anything as of right. You have to get something by a bribe. That is the legacy of the PNM.

"A simple thing as getting lights or water, you have to have a contact. Trinidad is the only country where you have to bribe somebody to buy a car. If the PNM could not solve the problems in 27 years they would not be able to do so in the next two years," he declared.

Mr John Humphrey, MP for St Augustine, said the PNM was intent on remaining in power. He said the PNM lost its one instrument (oil bonanza) while the other instrument, the money, has already been squandered.

"It is the money which kept the PNM in power for all these years. Government knows how to fool people." Mr Humphrey told the gathering that Government was trying to show its strength again with increases in road blocks throughout the country.

CSO: 3298/718

SMALL BUSINESS UNIT OFFERS HELP FOR EXPORTERS

Port-of-Spain TRINIDAD GUARDIAN in English 9 Apr 84 p 3

[Text] The Small Business Federation of Trinidad and Tobago Limited has initiated plans to assist its members with real exporting potential to develop approaches to the bulk of materials and procuring funds to cover operational costs.

It is also assisting the groups in obtaining funds to purchase the latest in machinery in order to increase productivity, efficiency and quality, and minimise labour costs and discounting of bills to ensure cash flow.

In replying to a letter from the Acting Secretary, Export Development Corporation, the Federation's President, Mr Sydney Brathwaite, documented their views on how the Corporation could best help certain types of small businesses to make contributions to the nation's export thrust.

Suggestions

After identifying some of the small business divisions as garments, furniture, confectioneries, wines, arts and crafts, Mr Brathwaite pointed out that the Export Development Corporation would have to provide meaningful accommodation for the small business section in order that the small business section could make recognisable contributions to the nation's export drive.

The Federation's President suggested the following:

- Shipping facilities that will not frustrate our members;
- Provide us with literature that will assist to identify markets and related information;
- Make grants available to the SBF that would adequately finance our endeavours to sell the products of members;
- Inclusion of SBF representative on Export Development Corporation's Board;

--Provide a special "small business" desk in the EDC administration; and

--Provide a grant to the Federation to prepare a suitable brochure of exportable products and other related promotions.

The President said that the exporting members would obviously require Government's investment in their endeavours if the country was to reap worthwhile benefits.

The Federation has already embarked on a programme involving meetings between its trade groups, the Industrial Development Corporation and Development Finance Company initially.

The Federation plans at an early date to call on the Management Development Centre, CARIRI and IDC's Export Division for discussion and guidance.

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COMMENTATOR SCORES U.S. REMOVAL OF GRENADA RECORDS

Port-of-Spain TRINIDAD GUARDIAN in English 9 Apr 84 p 10

[Article by Public Affairs Correspondent]

[Text] A follow-up is still to come to the CANA story datelined St Georges on March 7 reporting that the Grenada Advisory Council had twice in a three-month period addressed Washington about the 27 tons of official documents transported from the island by the American military in the wake of last October's invasion.

According to the story, Grenada informed Washington that it desired the return, as soon as possible, in their "original form," all documents and files and to cease all publication of the "captured documents."

Seemingly, the Interim Council awoke to its responsibility, realising at last that the documents were "of importance to us here" and they "constitute part of Grenada's historical records."

As early as November 25, 1983, this column, under the caption: "Why should Barbadians get loot from Grenada?" had raised the matter, asking, inter alia:

"Is it legitimate for the main invaders to take away as loot the documents of the previous Government, thus removing material relevant to the writing of history of the people and the place during the critical period?"

It appears that the Washington military acted on the basis of "might is right" and did not consult the Interim Government about what it took away.

It is well known that Government records are not usually published until a long period of years has elapsed. This is the practice everywhere, but Washington could not resist the opportunity the Grenadian haul afforded it to make endless propaganda.

Records

It may be expected that there will be criticism of the Grenada Advisory Council over its firm demand for return of the documents.

It should not be surprising if it is accused of bothering about bits of old paper when there are more important matters to be attended to. This is the kind of criticism which will come from those who cannot understand.

And it will be said the interim administration is ungrateful in view of the widespread expectation of largesse fuelled by the invasion.

It remains to be seen what results from this demand for the return of the documents as soon as possible and how long it takes for a reply.

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